

# Houston Area Employment Situation

July 2022

## CURRENT EMPLOYMENT AND LOCAL AREA UNEMPLOYMENT STATISTICS

*Introducing the New Math Where 900 Jobs ≈ 30k Jobs*

### Total Nonfarm

#### Over-the-month Change

Houston MSA Total Nonfarm employment stood at 3,267,000 in July, up 900 jobs over the month, or 0.0 percent on a not-seasonally-adjusted basis (see Chart 1). A year ago Houston registered an over-the-month increase of 16,200 jobs. This stands as only the second July over-the-month increase in the history of the series following 2021's gain. Historically in the month of July, Total Nonfarm has on average lost -15,600 jobs over the month, which indicates that this month's gains are substantially in contrast to the long-term average decline. Over-the-month job losses are typical in July of each year which are largely driven by seasonal declines in Local Government Educational Services, Leisure and Hospitality, and Construction.

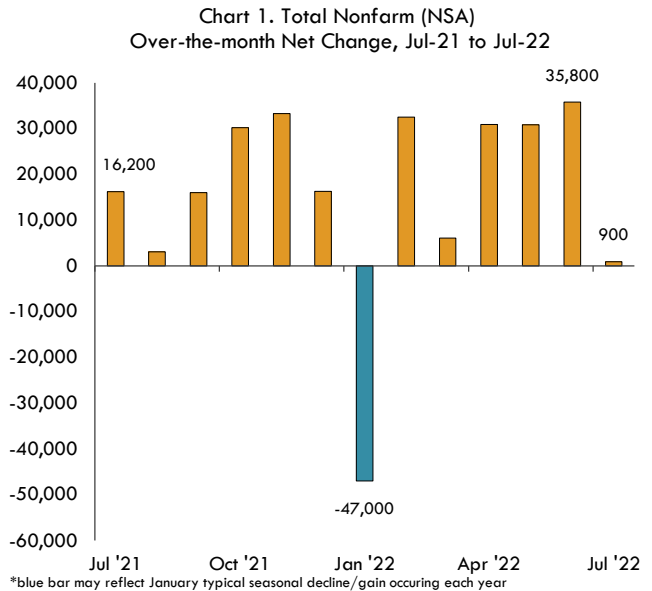
The primary drivers of this July's growth were increases in Professional and Business Services; Trade, Transportation, and Utilities; and Education and Health Services. Gains were also recorded in Construction; Manufacturing; and Mining and Logging. The net increase in jobs over the month was partially offset by losses in Government; Leisure and Hospitality; and Other Services. (see Chart 2). Houston MSA Total Nonfarm (seasonally adjusted) employment stood at 3,269,600, up 22,300 jobs over the month, or 0.7 percent vs. a historical average of 3,800. This was the largest July gain since 2021 and the second-largest gain historically for the month of July since records began in 1990. This July marks 17 consecutive month-over-month gains on a seasonally-adjusted basis. All analysis pertains to not-seasonally adjusted data unless otherwise noted. Data source: BLS/TWC.

#### Top-3 Drivers of Over-the-month Job Growth in July

- Professional and Business Services: 5,900
- Trade, Transportation, and Utilities: 5,200
- Education and Health Services: 3,100

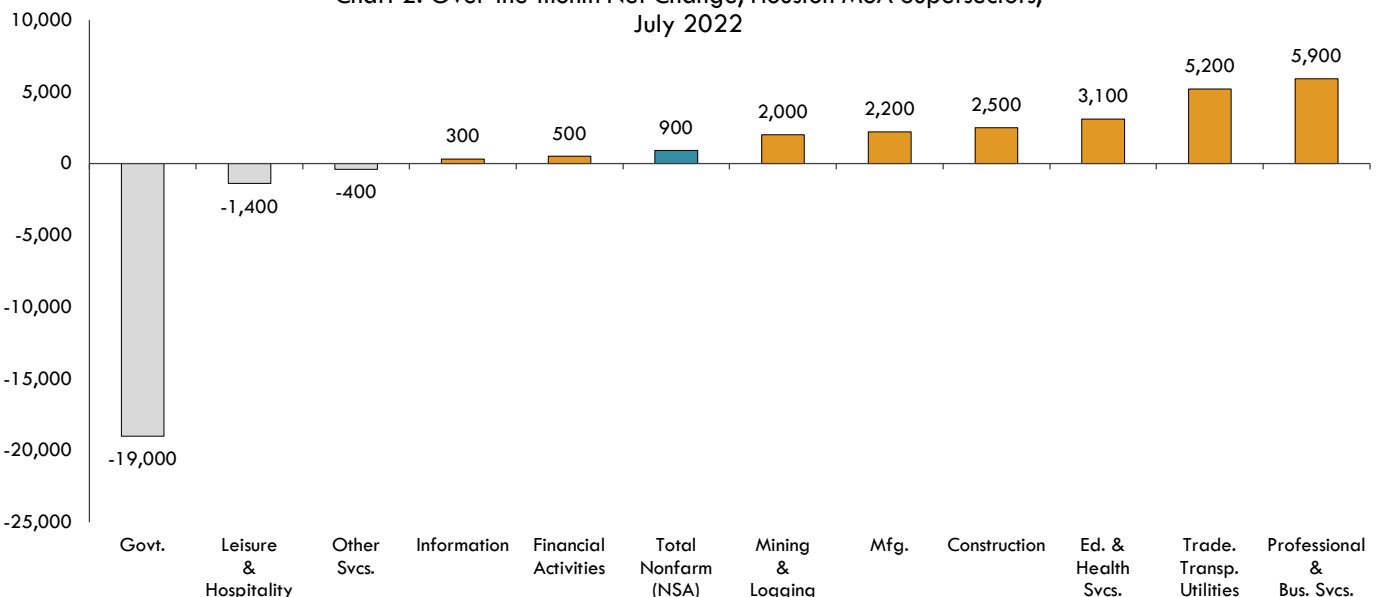
#### Over-the-year Change

Over the year, Total Nonfarm employment was up 188,900 or 6.1 percent on a not-seasonally-adjusted basis and up 187,500 or 6.1 percent on a seasonally-adjusted basis (see NSA Chart 3). To compare, July 2021 saw a year-over-year gain of 165,100 jobs (NSA) from July 2020. This was the largest-ever over-the-year gain in July and the third-largest gain on record. Currently all 11 sectors show growth year over year of which the top-three are Trade, Transportation, and Utilities (42,300); Leisure and



Hospitality (31,500); and Construction (31,000) (see Chart 4). Total Nonfarm employment not-seasonally-adjusted now exceeds its February 2020 pre-pandemic level of 3,192,200 jobs by 74,800, or 2.3 percent (69,400 jobs, 2.2 percent above 3,200,200 seasonally adjusted).

Chart 2. Over-the-month Net Change, Houston MSA Supersectors, July 2022



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## Previous Month's Revisions

Total Nonfarm employment was revised upward by 4,500 jobs for a May to June larger net gain of 35,800 compared to an original estimate of 31,300 jobs. An upward revision of +3,700 jobs in Construction was the largest contributor followed by Education and Health Services (+2,400) and Government (+1,700). Downward revisions in Financial Activities (-1,400), Trade, Transportation, and Utilities (-1,400), and Other Services (-600) provided a partial offset of the overall upward revision to Total Nonfarm employment (see Chart 5).

### Top-3 Drivers of Over-the-year Job Growth in July

- Trade, Transportation, and Utilities: 42,300
- Leisure and Hospitality: 31,500
- Construction: 31,000

Chart 5. Net Revisions for Selected Supersectors and Major Industries, June 2022

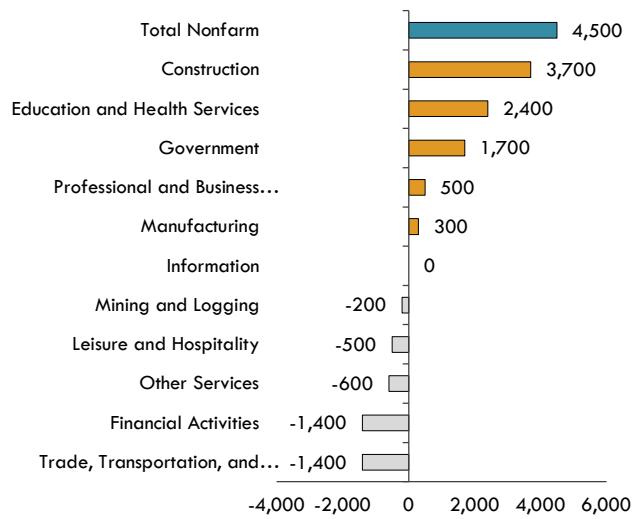


Chart 3. Total Nonfarm (NSA)  
Over-the-year Net Change, Jul-07 to Jul-22

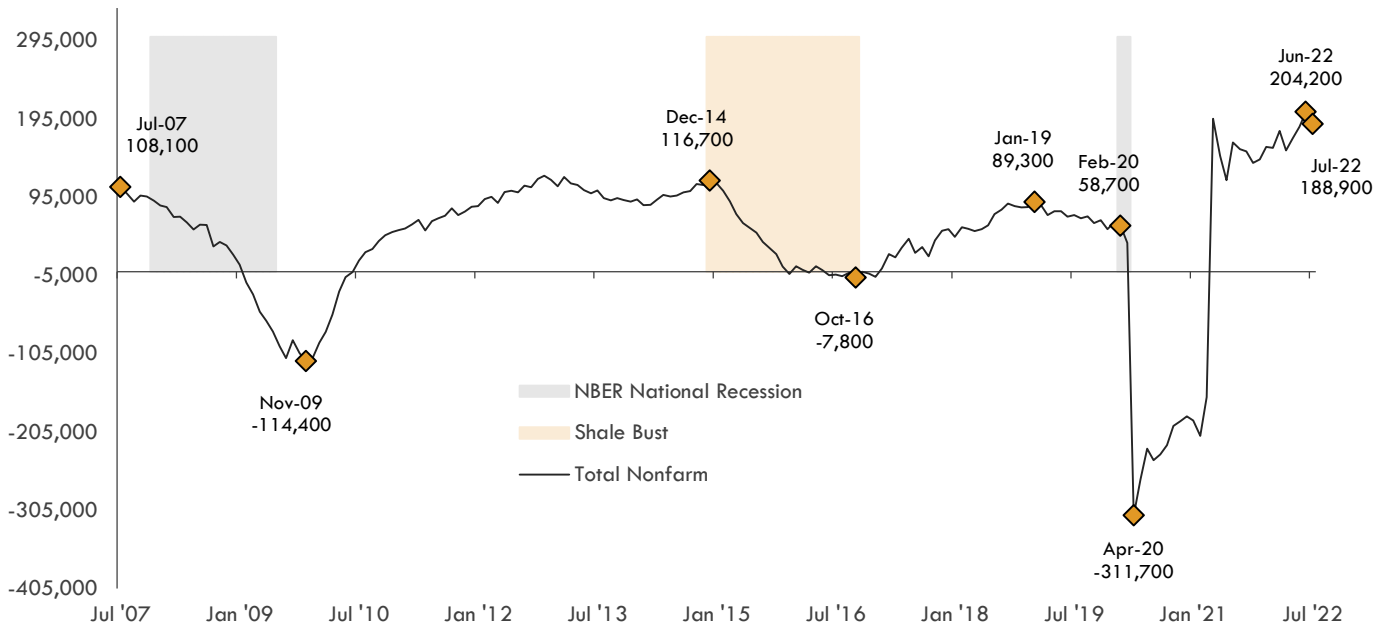
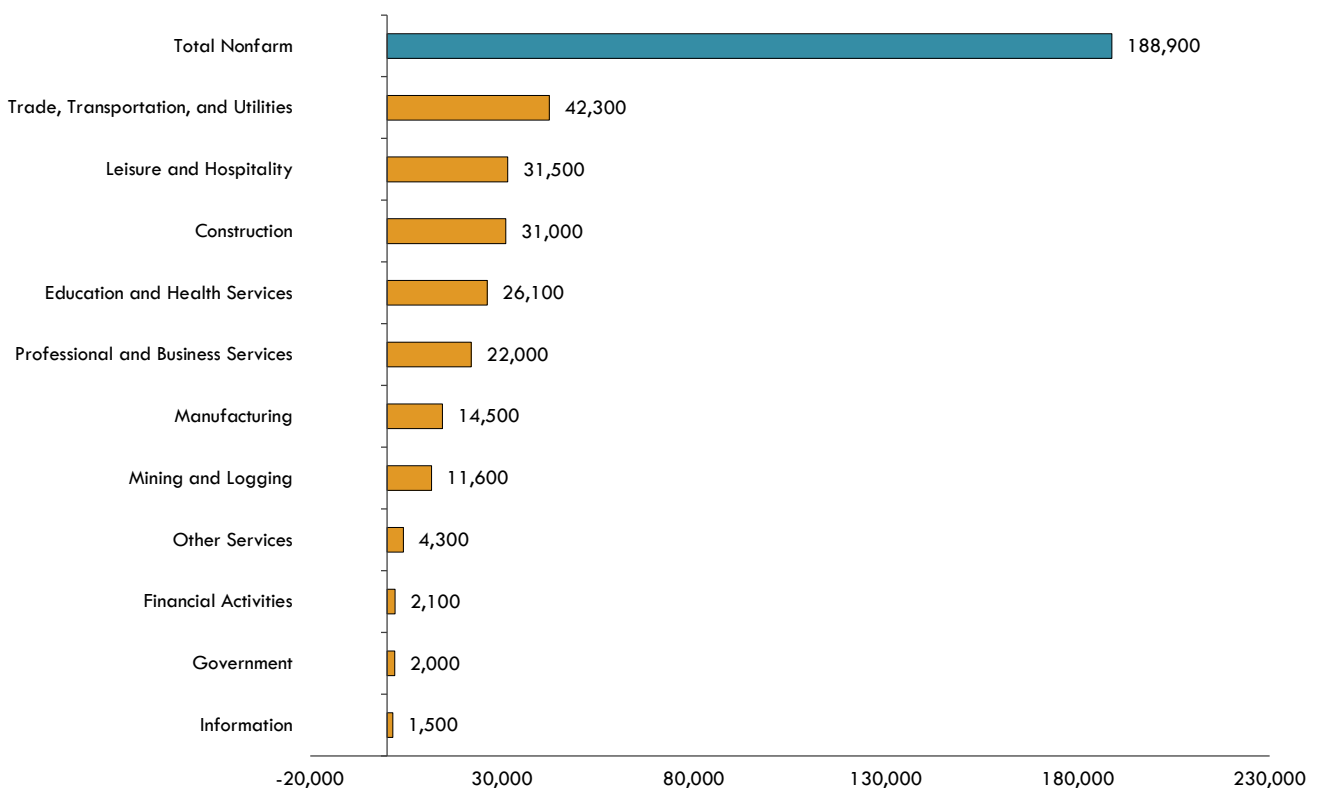


Chart 4. Over-the-year Net Change, Houston MSA Supersectors,  
July 2021 to July 2022



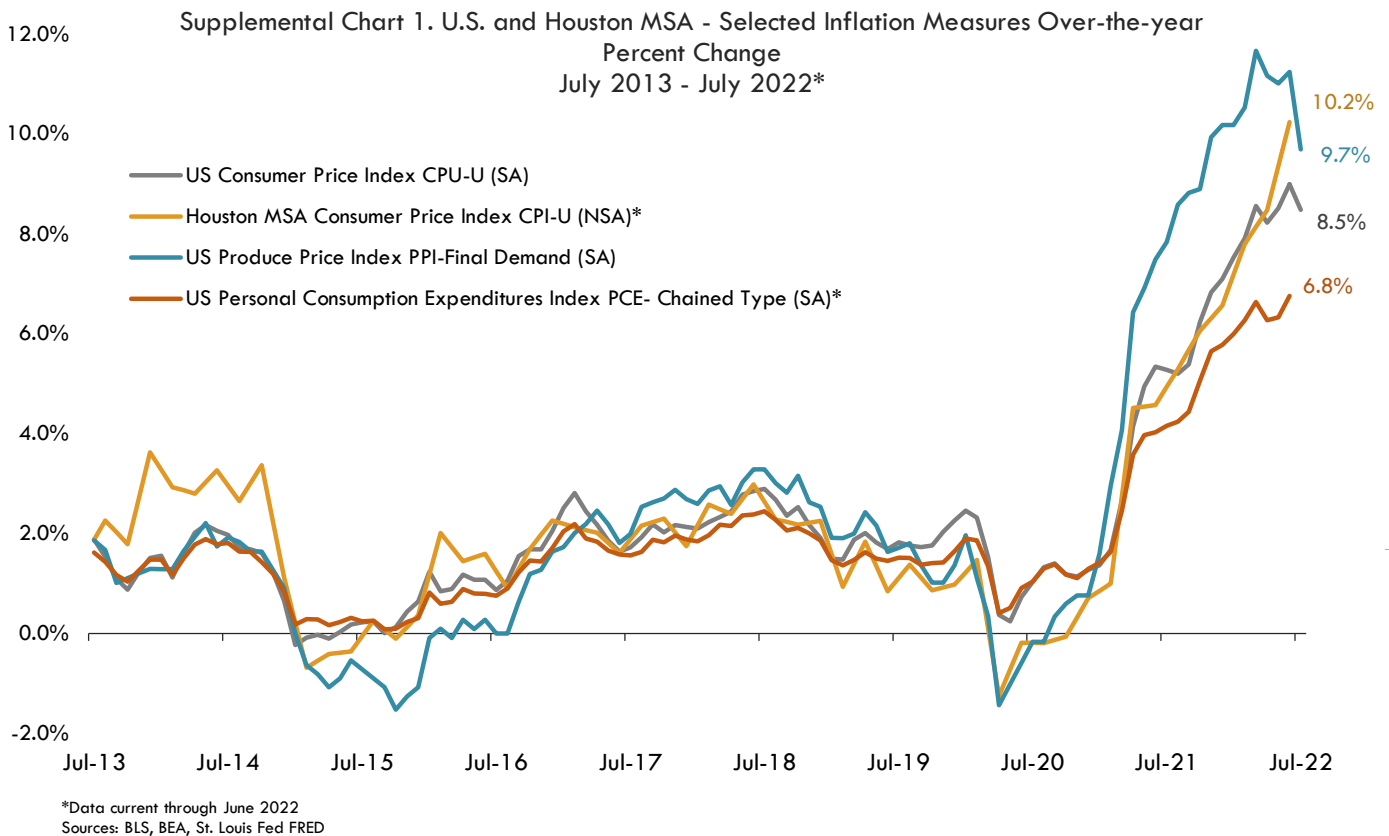
## Supplemental Commentary

### Overall Impressions

Over the month on a not-seasonally-adjusted basis, the Houston MSA added 900 jobs. In just about any other month throughout the year, this would be an absolutely terrible number. But because it's July, we have to add it to our repeated 30,000-jobs-a-month track record that we've established thus far in 2022. July typically sees losses largely due to any remaining public education jobs not lost in June, finally dropping off the payrolls only to return in September. This year was no exception. However, thanks to Professional and Business Services; Trade, Transportation, and Utilities; Healthcare; Construction; Manufacturing and Mining and Logging all seeing record, or near-record increases, this July stands out among the rest, bested only by 2021. Even if we consider this July from a seasonally-adjusted standpoint (+22,300 OTM), the result is the same: it's the #2 July of all-time. Again, this type of performance in the year *after* the initial rebound phase throughout 2021 continues to defy expectations of a gradual "reversion to the mean" in the wake of the pandemic. While the payroll figures referenced above, a.k.a. the business establishment survey, aren't directly comparable to the unemployment figures, a.k.a. the household survey, it's worth noting that despite multiple months of record job growth and total employment that's now 70k-75k jobs above February 2020 levels, Houston's unemployment rate has yet to match the lows seen in 2019, or even 2018. Perhaps a logical explanation lies in the differences between the two surveys, or some dynamic related to the labor force participation rate (which is not published at the MSA level), but the inconsistency should reinforce our skepticism of 2022's stellar performance.

### A Brief Look at National and Local Inflation

While debate rages on as to whether we're in a recession (see June 2022's report for a look at some of the labor market indicators), it's also worth taking a look at the latest inflation figures as we search for signs of an inflection point. The chart below shows three national measures of inflation with two, the Consumer Price Index CPI-U and Personal Consumption Expenditures PCE, representing "consumer inflation" and the Produce Price Index PPI reflecting price increases at the commercial/industrial producer level. For the Houston MSA, only the non-seasonally-adjusted CPI-U is available and only on a bi-monthly basis leaving us with June's 10.2 percent increase as the most recent figure. PCE lags the national CPI and PPI figures by a few weeks is also only current through June in this case. Regardless, the year-over-year trends suggest that inflation may have peaked in recent months, particularly at the Produce Price level. Given the lag, it's less clear whether PCE, the Federal Reserve's preferred measure, has peaked while the Houston MSA shows no signs of slowing inflation. If at the national level inflation has in fact peaked, then the question is "can we breath a collective sigh of relief or this a harbinger of a broader economic slowdown beyond much touted tech layoffs and declining home sales." I suspect we'll know after two or three more sets of national and local indicators are released in the coming months.



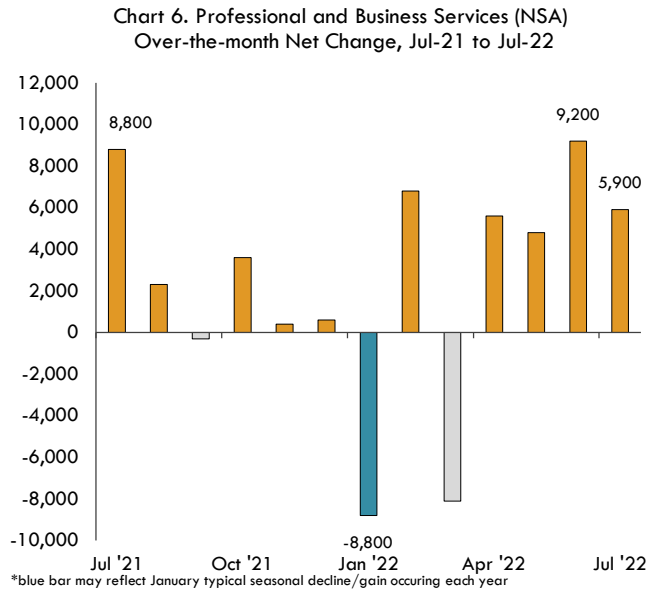
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GAINING INDUSTRY HIGHLIGHTS

Professional and Business Services

Over-the-month Change

Professional and Business Services was the largest gaining sector over the month up 5,900 jobs, or 1.1 percent (see Chart 6). This was the largest July gain since 2021 and the third-largest gain historically for the month of July since records began in 1990. Historically in the month of July, Professional and Business Services has added an average of 900 jobs over the month, which indicates that this month's gains are substantially above the long-term average. Professional, Scientific, and Technical Services was the largest contributor to the overall sector's increase, up 3,600 jobs over the month. The second-largest contributor was Administrative and Support and Waste Management and Remediation Services, which added 1,900 jobs from June to July. Lastly, Management of Companies and Enterprises contributed, 400 jobs.

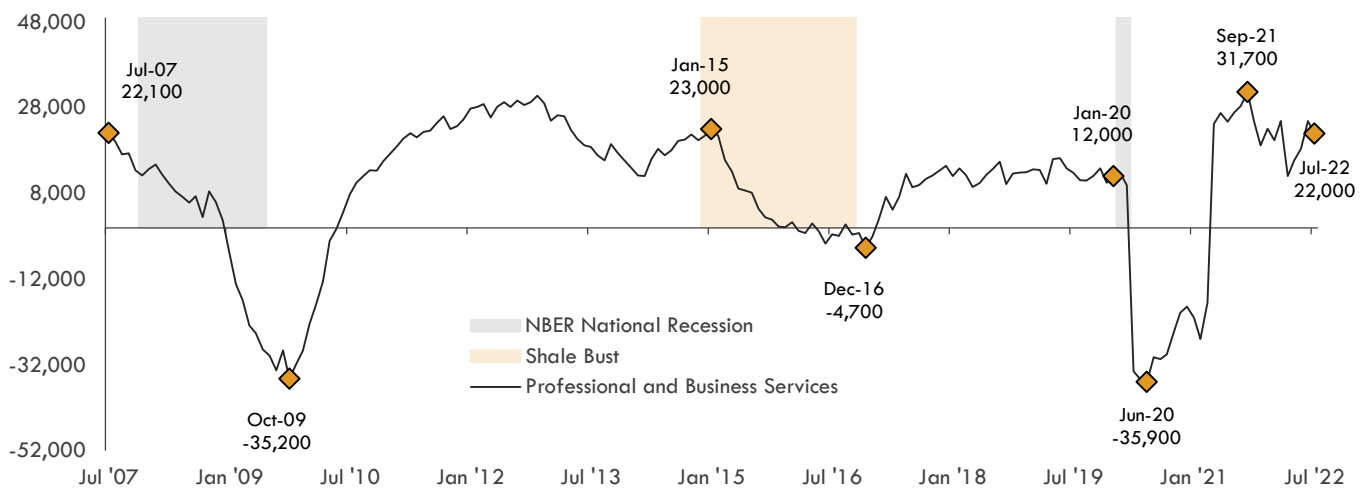


Over-the-year Change

Year over year, Professional and Business Services was up 22,000 jobs, or 4.3 percent (see Chart 7). This July also marks 16 consecutive months of over-the-year gains. Professional, Scientific, and Technical Services was the largest contributor to the overall sector's increase, up 10,900 jobs over the year. The second-largest contributor was Administrative and Support and Waste Management and Remediation Services, which added 8,900 jobs from July a year ago. Lastly, Management of Companies and Enterprises contributed, 2,200 jobs. Total Professional and Business Services employment (NSA) now

exceeds its February 2020 pre-pandemic level of 514,700 jobs by 16,400, or 3.2 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has fallen from 16.5 percent to 16.3 percent over the past year.

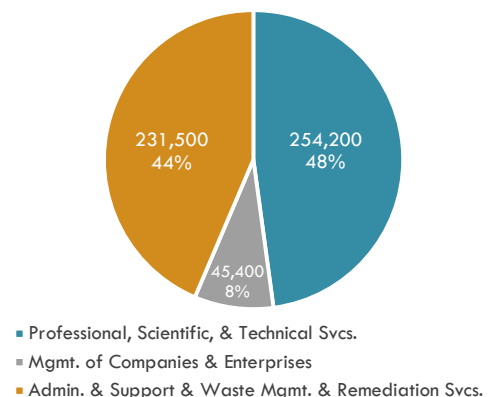
Chart 7. Professional and Business Services (NSA)  
Over-the-year Net Change, Jul-07 to Jul-22



About This Sector

This sector is composed of establishments specializing in professional, scientific, and technical activities; management of establishments holding equity interests in order to influence management decisions; and office administration, hiring of personnel, security, cleaning, and waste disposal. Of the three main component industries, Professional, Scientific, and Technical Services accounts for a plurality of the sector's employment at 48 percent (see Chart 8). Across the Houston MSA, the concentration of jobs in the overall sector is 10 percent higher than the national average, due to a 12-percent higher concentration in Professional, Scientific, and Technical Services serving the oil and gas industry.

Chart 8. Employment in Component Industries of Professional and Business Services Sector - July 2022

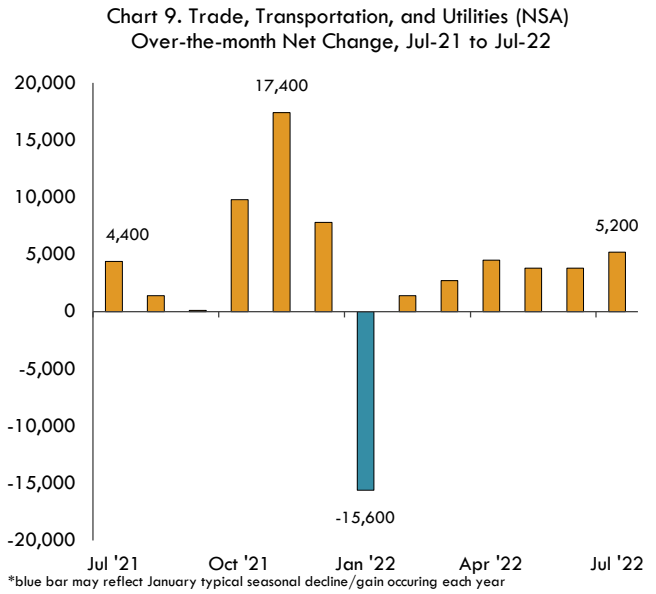


## GAINING INDUSTRY HIGHLIGHTS

### Trade, Transportation, and Utilities

#### Over-the-month Change

Trade, Transportation, and Utilities was the second-largest gaining sector over the month up 5,200 jobs, or 0.8 percent (see Chart 9). This was the largest-ever gain in the month of July since records began in 1990, beating the previous July record of 4,400 jobs in 2021. Wholesale Trade was the largest contributor to the overall sector's increase, up 2,400 jobs over the month. The second-largest contributor was Retail Trade, which added 1,500 jobs from June to July. Lastly, Transportation, Warehousing, and Utilities contributed, 1,300 jobs. Trade, Transportation, and Utilities employment was revised downward by -1,400 jobs for a May to June smaller net gain of 3,800 compared to an original estimate of 5,200 jobs.

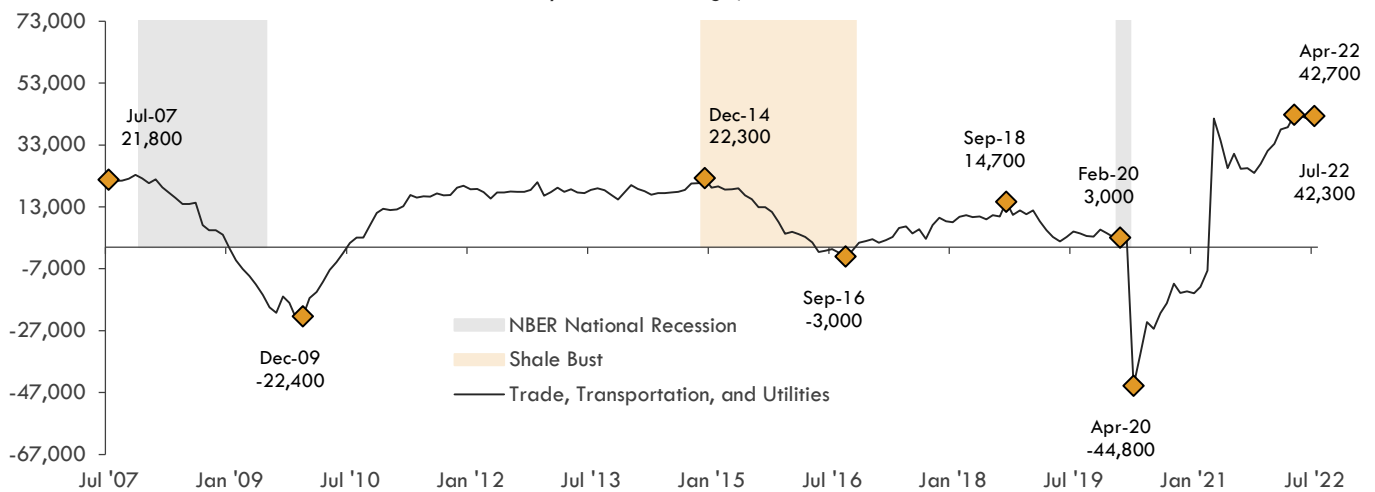


#### Over-the-year Change

Year over year, Trade, Transportation, and Utilities was up 42,300 jobs, or 6.7 percent (see Chart 10). This was the largest-ever over-the-year gain in July and the third-largest gain on record. It also marks 16 consecutive months of over-the-year gains. Furthermore, 22.4 percent of total (gross) jobs added across the region over the past year can be attributed to Trade, Transportation, and Utilities. Retail Trade was the largest contributor to the overall sector's increase, up 15,100 jobs over the year. The second-largest contributor was Transportation, Warehousing, and Utilities, which added 13,600 jobs from July a

year ago. Lastly, Wholesale Trade contributed, 13,600 jobs. Total Trade, Transportation, and Utilities employment (NSA) now exceeds its February 2020 pre-pandemic level of 628,900 jobs by 45,300, or 7.2 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has risen from 20.5 percent to 20.6 percent over the past year.

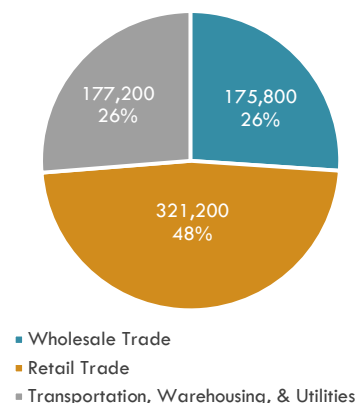
Chart 10. Trade, Transportation, and Utilities (NSA)  
Over-the-year Net Change, Jul-07 to Jul-22



#### About This Sector

This sector is composed of establishments wholesaling agriculture, mining, and manufactured goods; retailing goods in small quantities to the public incl. online; transporting passengers and cargo; warehousing and storage; and providing electricity, natural gas, water, and sewage removal. Of the three main component industries, Retail Trade accounts for a plurality of the sector's employment at 48 percent (see Chart 11). Across the Houston MSA, the concentration of jobs in the overall sector is 10 percent higher than the national average, due to a 39-percent higher concentration in Wholesale Trade primarily related to the oil and gas industry.

Chart 11. Employment in Component Industries of Trade, Transportation, and Utilities Sector - July 2022



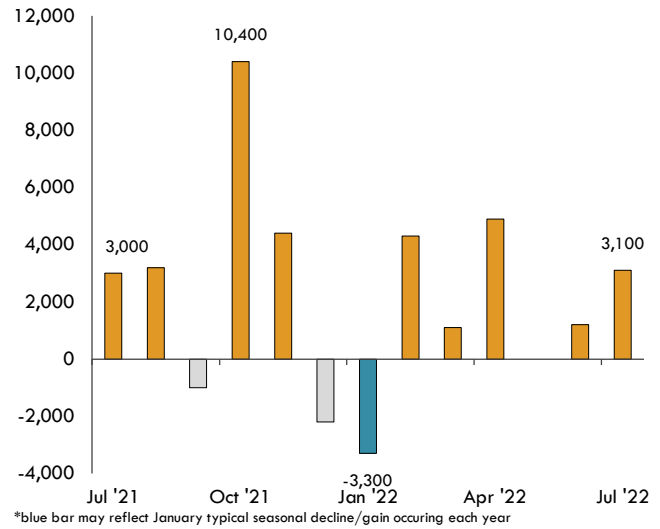
GAINING INDUSTRY HIGHLIGHTS

Education and Health Services

Over-the-month Change

Education and Health Services was the third-largest gaining sector over the month up 3,100 jobs, or 0.7 percent (see Chart 12). This was the largest-ever gain in the month of July since records began in 1990, beating the previous July record of 3,000 jobs in 2021. Health Care and Social Assistance was the largest contributor to the overall sector's increase, up 4,100 jobs over the month. One component industry that provided a partial offset was Educational Services, which lost -1,000 jobs from June to July. Education and Health Services employment was revised upward by 2,400 jobs for a May to June complete erasure of losses resulting in a net gain of 1,200 compared to an original estimate of -1,200 jobs.

Chart 12. Education and Health Services (NSA)  
Over-the-month Net Change, Jul-21 to Jul-22

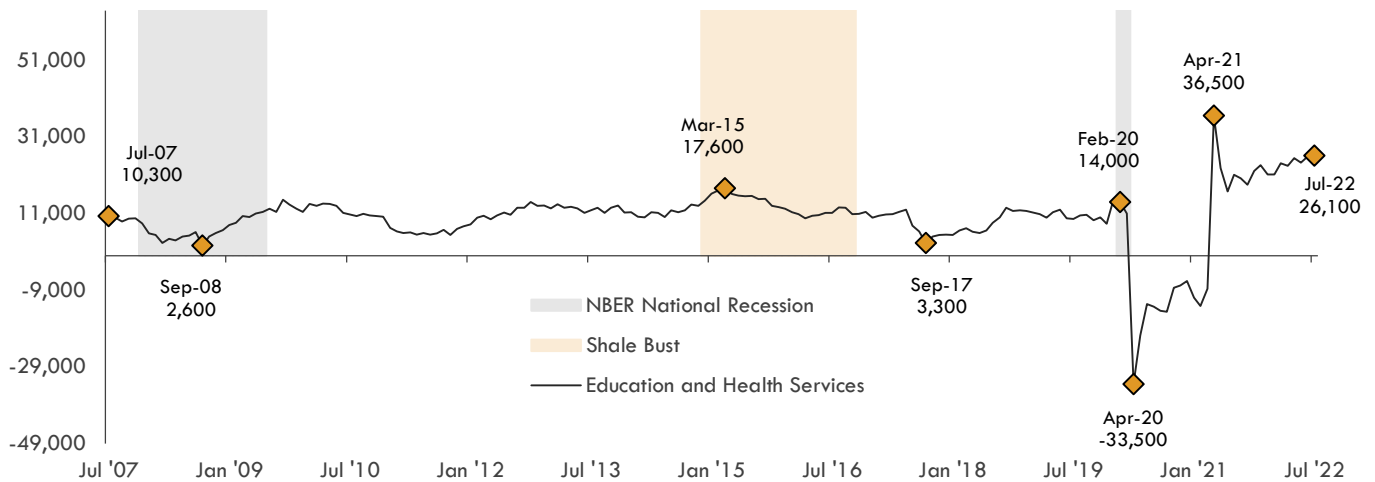


Over-the-year Change

Year over year, Education and Health Services was up 26,100 jobs, or 6.4 percent (see Chart 13). This was the largest-ever over-the-year gain in July and the second-largest gain on record. It also marks 16 consecutive months of over-the-year gains. Health Care and Social Assistance was the largest contributor to the overall sector's increase, up 18,300 jobs over the year. The second-largest contributor was Educational Services, which added 7,800 jobs from July a year ago. Total Education and Health Services employment (NSA) now exceeds its February 2020 pre-pandemic level of 414,400 jobs by 21,300, or 5.1

percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has remained constant at 13.3 percent over the past year.

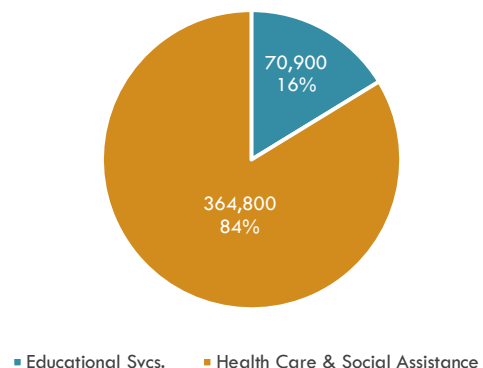
Chart 13. Education and Health Services (NSA)  
Over-the-year Net Change, Jul-07 to Jul-22



About This Sector

This sector is composed of establishments that provide private education services (i.e. excluding publicly-funded primary, secondary, and postsecondary institutions) and establishments that provide healthcare and social assistance to individuals. Of the two main component industries, Health Care and Social Assistance accounts for the majority of the sector's employment at 84 percent (see Chart 14). Across the Houston MSA, the concentration of jobs in the overall sector is 16 percent less than the national average, despite the high physical concentration of healthcare jobs centered around Texas Medical Center.

Chart 14. Employment in Component Industries of  
Education and Health Services Sector - July 2022

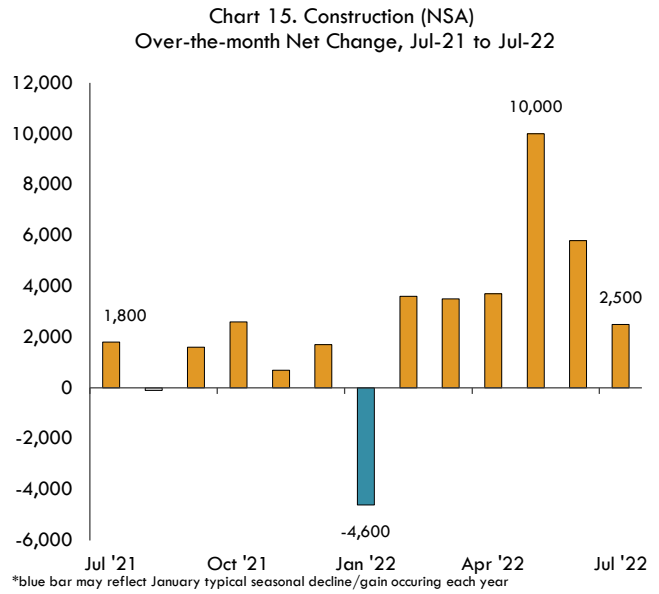


GAINING INDUSTRY HIGHLIGHTS

Construction

Over-the-month Change

Construction also saw an increase over the month up 2,500 jobs, or 1.0 percent (see Chart 15). This was the largest-ever gain in the month of July since records began in 1990, beating the previous July record of 2,100 jobs in 1998. Historically in the month of July, Construction has lost an average of -1,200 jobs over the month, which indicates that this month's gains are substantially in contrast to the long-term average decline. Specialty Trade Contractors was the largest contributor to the overall sector's increase, up 1,800 jobs over the month. The second-largest contributor was Construction of Buildings, which added 500 jobs from June to July. Lastly, Heavy and Civil Engineering Construction contributed, 200 jobs. Construction employment was revised upward by 3,700 jobs for a May to June larger net gain of 5,800 compared to an original estimate of 2,100 jobs.

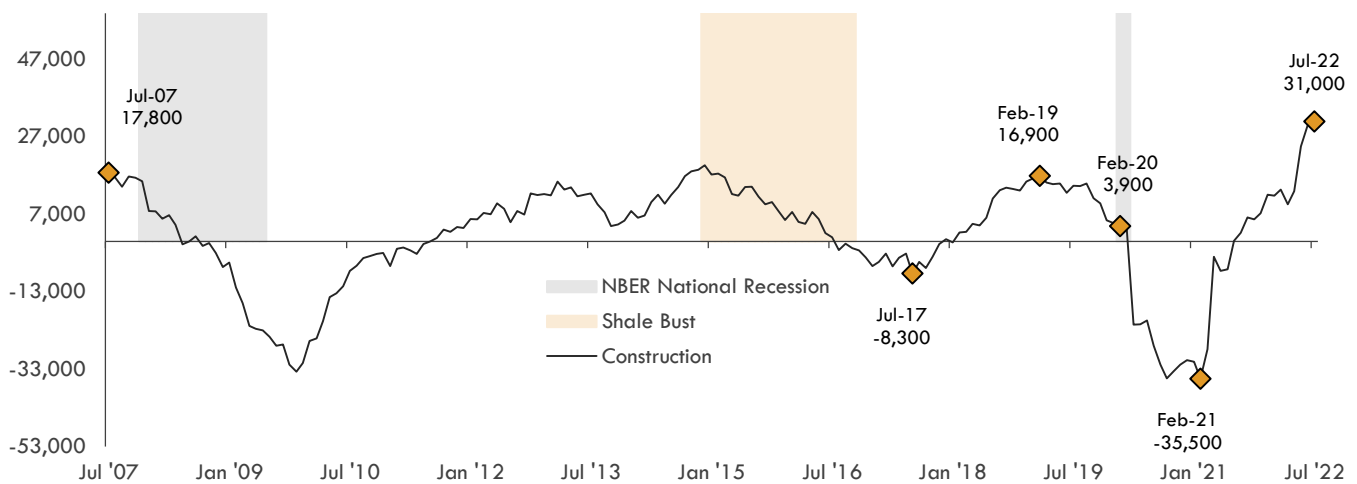


Over-the-year Change

Year over year, Construction was up 31,000 jobs, or 14.8 percent (see Chart 16). This was the largest-ever over-the-year gain in July or any other month since records began, beating the previous record of 30,300 jobs added in June 2022. It also marks 13 consecutive months of over-the-year gains. Among sectors currently showing growth, this sector is the second-fastest growing in percentage terms across the Houston area. Furthermore, 16.4 percent of total (gross) jobs added across the region over the past year can be attributed to Construction. Specialty Trade Contractors was the largest contributor to the

overall sector's increase, up 18,000 jobs over the year. The second-largest contributor was Construction of Buildings, which added 6,500 jobs from July a year ago. Lastly, Heavy and Civil Engineering Construction contributed, 6,500 jobs. Total Construction employment (NSA) now exceeds its February 2020 pre-pandemic level of 237,400 jobs by 3,400, or 1.4 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has risen from 6.8 percent to 7.4 percent over the past year.

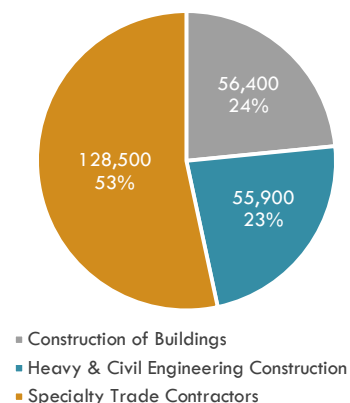
Chart 16. Construction (NSA)  
Over-the-year Net Change, Jul-07 to Jul-22



About This Sector

This sector comprises establishments engaged in the construction of buildings, infrastructure, site preparation and subdivision, and specialty trades e.g. masonry, painting, and electrical work. Of the three main component industries, Specialty Trade Contractors accounts for a slight majority of the sector's employment at just over 53 percent (see Chart 17). Across the Houston MSA, the concentration of jobs in the overall Construction sector is 42 percent higher than the national average, due to 2.3 times more jobs in Heavy and Civil Engineering Construction related to turnaround maintenance of petrochemical facilities.

Chart 17. Employment in Component Industries of Construction Sector - July 2022

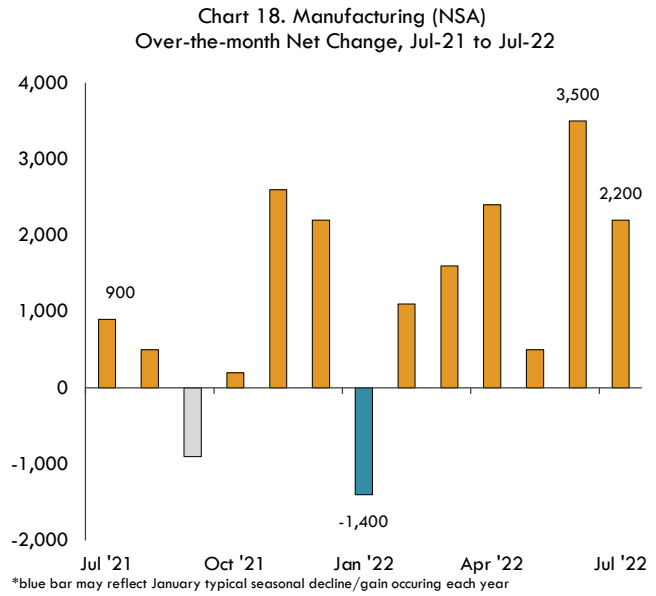


GAINING INDUSTRY HIGHLIGHTS

Manufacturing

Over-the-month Change

Manufacturing also saw an increase over the month up 2,200 jobs, or 1.0 percent (see Chart 18). This was the second-largest gain in the month of July since records began in 1990. Historically in the month of July, Manufacturing has lost an average of -300 jobs over the month, which indicates that this month's gains are substantially in contrast to the long-term average decline. Durable Goods was the largest contributor to the overall sector's increase, up 1,900 jobs over the month. The second-largest contributor was Non-Durable Goods, which added 300 jobs from June to July. Manufacturing employment was revised upward by 300 jobs for a May to June larger net gain of 3,500 compared to an original estimate of 3,200 jobs.

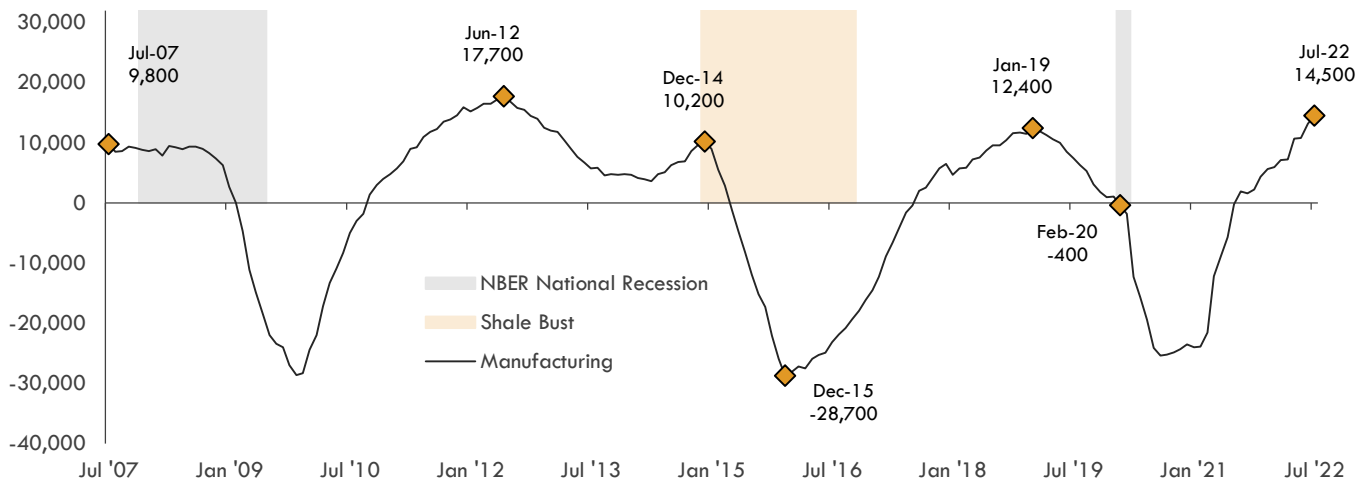


Over-the-year Change

Year over year, Manufacturing was up 14,500 jobs, or 6.8 percent (see Chart 19). This was the second-largest over-the-year gain in the month of July since records began in 1990 and the largest gain since October 2012's increase of 14,500 jobs. It also marks 12 consecutive months of over-the-year gains. Durable Goods was the largest contributor to the overall sector's increase, up 10,500 jobs over the year. The second-largest contributor was Non-Durable Goods, which added 4,000 jobs from July a year ago. Total Manufacturing employment (NSA) remains -6,600 jobs, or -2.8 percent below its February 2020

pre-pandemic level of 234,500. At the same time, the sector's share of Houston area Total Nonfarm Employment has remained constant at 6.9 percent over the past year.

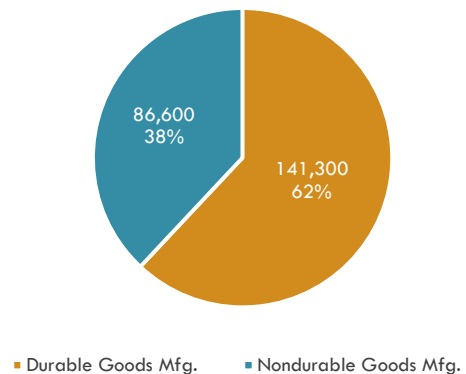
Chart 19. Manufacturing (NSA) Over-the-year Net Change, Jul-07 to Jul-22



About This Sector

This sector comprises establishments engaged in the mechanical, physical, or chemical transformation of materials, substances, or components into new products. Of the two main component industries, Durable Goods accounts for the majority of the sector's employment at 62 percent (see Chart 20). Across the Houston MSA, the concentration of jobs in the overall Manufacturing sector is 18 percent less than the national average.

Chart 20. Employment in Component Industries of Manufacturing Sector - July 2022



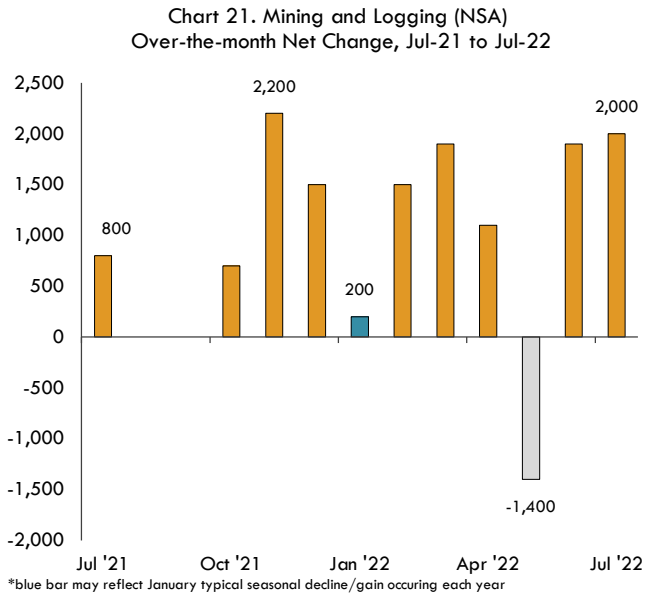


GAINING INDUSTRY HIGHLIGHTS

Mining and Logging

Over-the-month Change

Mining and Logging also saw an increase over the month up 2,000 jobs, or 2.9 percent (see Chart 21). This was the largest-ever gain in the month of July since records began in 1990, beating the previous July record of 1,800 jobs in 2012. Historically in the month of July, Mining and Logging has added an average of 300 jobs over the month, which indicates that this month's gains are substantially above the long-term average. Oil and Gas Extraction was the largest contributor to the overall sector's increase, up 1,100 jobs over the month. The second-largest contributor was Support Activities for Mining, which added 900 jobs from June to July. Lastly, Other Mining and Logging Undefined saw no change over the month. Mining and Logging employment was revised downward by -200 jobs for a May to June smaller net gain of 1,900 compared to an original estimate of 2,100 jobs.

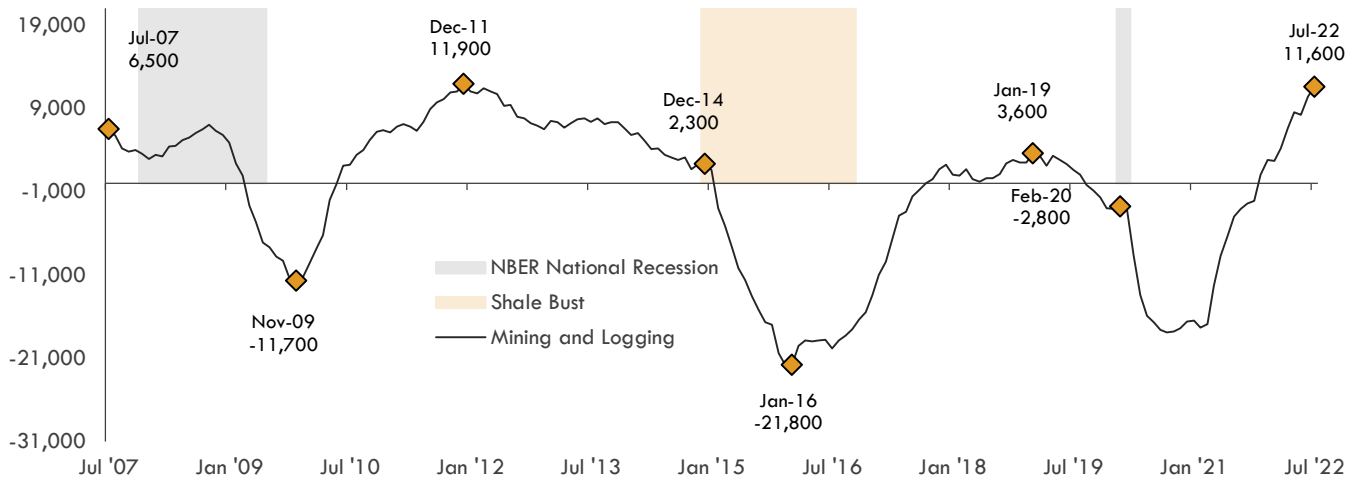


Over-the-year Change

Year over year, Mining and Logging was up 11,600 jobs, or 19.6 percent (see Chart 22). This was the largest-ever over-the-year gain in July and the second-largest gain on record. It also marks nine consecutive months of over-the-year gains. Among sectors currently showing growth, this sector is the fastest-growing in percentage terms across the Houston area. Support Activities for Mining was the largest contributor to the overall sector's increase, up 5,800 jobs over the year. The second-largest contributor was Oil and Gas Extraction, which added 5,200 jobs from July a year ago. Lastly, Other Mining and Logging

Undefined contributed, 600 jobs. Total Mining and Logging employment (NSA) remains -7,600 jobs, or -9.7 percent below its February 2020 pre-pandemic level of 78,400. At the same time, the sector's share of Houston area Total Nonfarm Employment has risen from 1.9 percent to 2.2 percent over the past year.

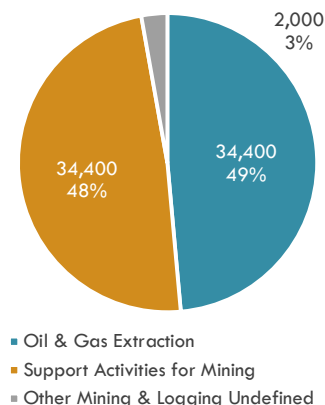
Chart 22. Mining and Logging (NSA) Over-the-year Net Change, Jul-07 to Jul-22



About This Sector

This sector comprises establishments extracting naturally occurring minerals such as coal and ores; liquid minerals, such as crude petroleum and natural gas; and timber. Of the three main component industries, Support Activities for Mining accounts for a plurality of the sector's employment at 49 percent (see Chart 23). Across the Houston MSA, the concentration of jobs in the overall Mining and Logging sector is 5.1 times the national average, due to the region's role as a global hub for the oil and gas industry.

Chart 23. Employment in Component Industries of Mining and Logging Sector - July 2022

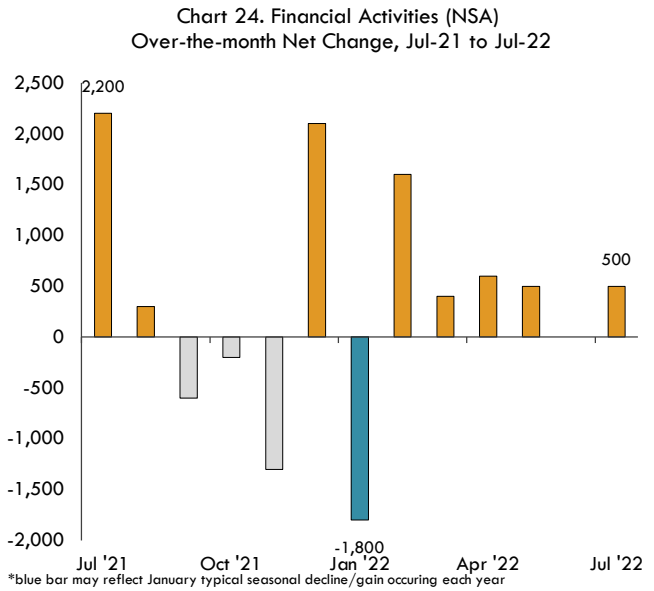


GAINING INDUSTRY HIGHLIGHTS

Financial Activities

Over-the-month Change

Financial Activities also saw an increase over the month up 500 jobs, or 0.3 percent (see Chart 24). Historically in the month of July, Financial Activities has added an average of 400 jobs over the month, which indicates that this month's gains are slightly above the long-term average. Real Estate and Rental and Leasing was the largest contributor to the overall sector's increase, up 500 jobs over the month. One component industry, Finance and Insurance, saw no change from June to July. Financial Activities employment was revised downward by -1,400 jobs for a May to June complete loss of gains resulting in a net change of zero compared to an original estimate of 1,400 jobs.

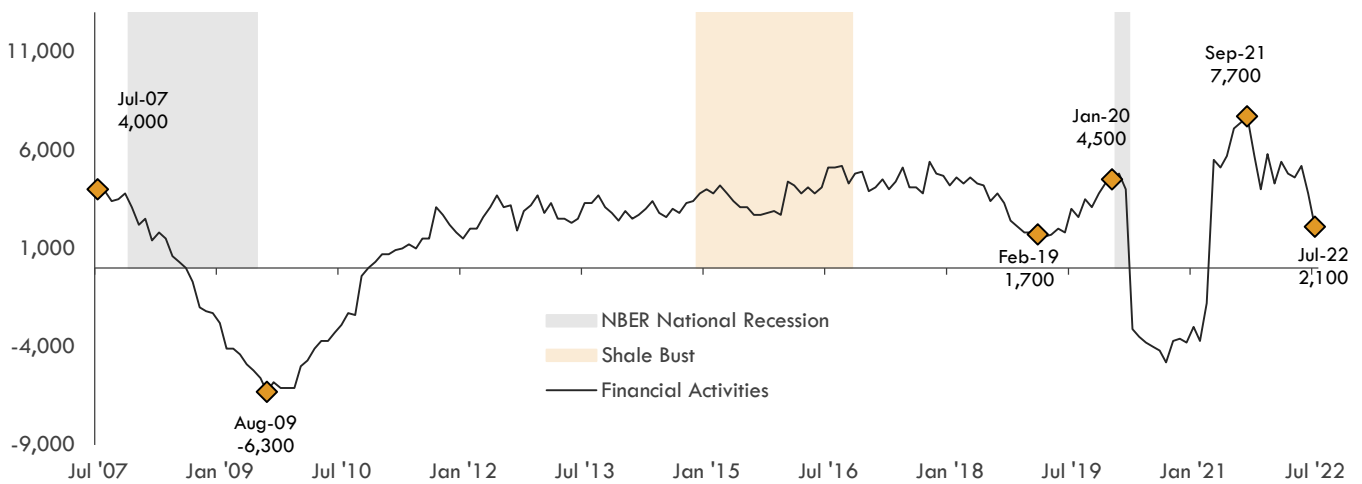


Over-the-year Change

Year over year, Financial Activities was up 2,100 jobs, or 1.2 percent (see Chart 25). This July also marks nine consecutive months of over-the-year gains. Real Estate and Rental and Leasing was the largest contributor to the overall sector's increase, up 1,200 jobs over the year. The second-largest contributor was Finance and Insurance, which added 900 jobs from July a year ago. Total Financial Activities employment (NSA) now exceeds its February 2020 pre-pandemic level of 169,200 jobs by 3,700, or 2.2 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has

fallen from 5.5 percent to 5.3 percent over the past year.

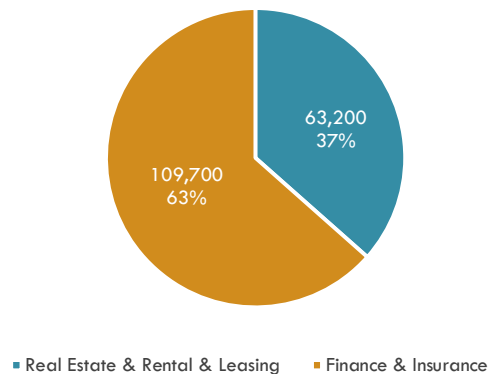
Chart 25. Financial Activities (NSA)  
Over-the-year Net Change, Jul-07 to Jul-22



About This Sector

This sector is composed of establishments renting, leasing, or allowing use of assets, and financial transactions such as creation, liquidation, or change in ownership of financial assets, underwriting of insurance, and annuities. Of the two main component industries, Finance and Insurance accounts for the majority of the sector's employment at 63 percent (see Chart 26). Across the Houston MSA, the concentration of jobs in the overall Financial Activities sector is 11 percent less than the national average, due to a 23-percent lower concentration in Finance and Insurance offsetting a 23-percent higher concentration in Real Estate and Rental and Leasing.

Chart 26. Employment in Component Industries of  
Financial Activities Sector - July 2022

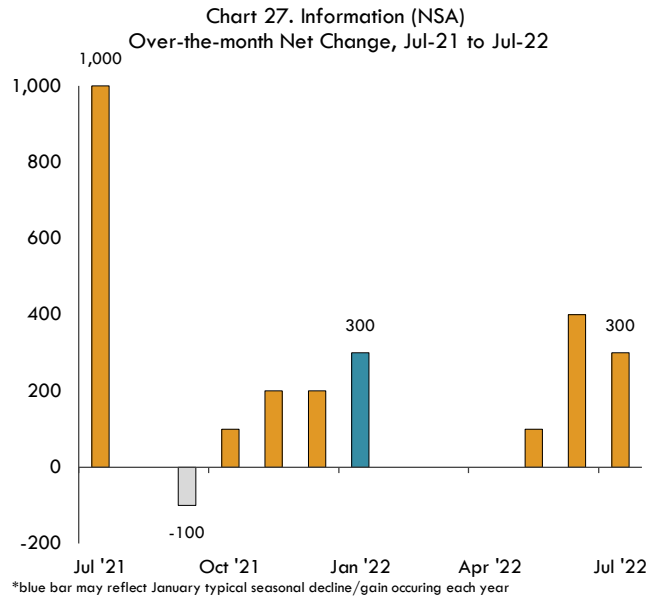


## GAINING INDUSTRY HIGHLIGHTS

### Information

#### Over-the-month Change

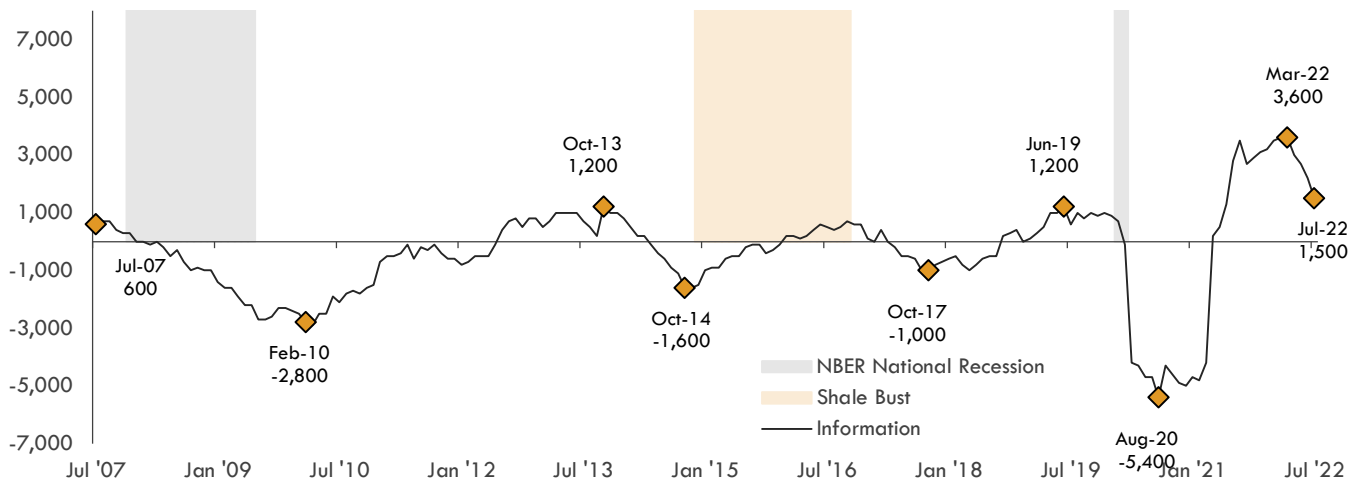
Information also saw an increase over the month up 300 jobs, or 0.9 percent (see Chart 27). Historically in the month of July, Information has lost an average of -100 jobs over the month, which indicates that this month's gains are substantially in contrast to the long-term average decline. Other Information Undefined was the largest contributor to the overall sector's increase, up 300 jobs over the month. One component industry, Telecommunications, saw no change from June to July. Information employment saw no revision from May to June leaving the previous month's original increase of 400 intact.



#### Over-the-year Change

Year over year, Information was up 1,500 jobs, or 4.9 percent (see Chart 28). This July also marks 16 consecutive months of over-the-year gains. Other Information Undefined was the largest contributor to the overall sector's increase, up 1,500 jobs over the year. One component industry, Telecommunications, saw no change from July a year ago. Total Information employment (NSA) remains -400 jobs, or -1.2 percent below its February 2020 pre-pandemic level of 32,700. At the same time, the sector's share of Houston area Total Nonfarm Employment has remained constant at 1.0 percent over the past year.

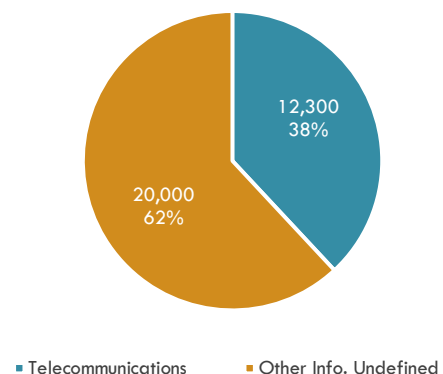
Chart 28. Information (NSA)  
Over-the-year Net Change, Jul-07 to Jul-22



#### About This Sector

This sector comprises establishments producing and distributing information and cultural products, e.g. traditional and online news publishing; software publishing; the motion picture and sound recording; TV broadcasting; and telecommunications. Of the two main component industries, Other Information Undefined accounts for the majority of the sector's employment at 62 percent (see Chart 29). Across the Houston MSA, the concentration of jobs in the overall Information sector is 51 percent less than the national average.

Chart 29. Employment in Component Industries of Information Sector - July 2022

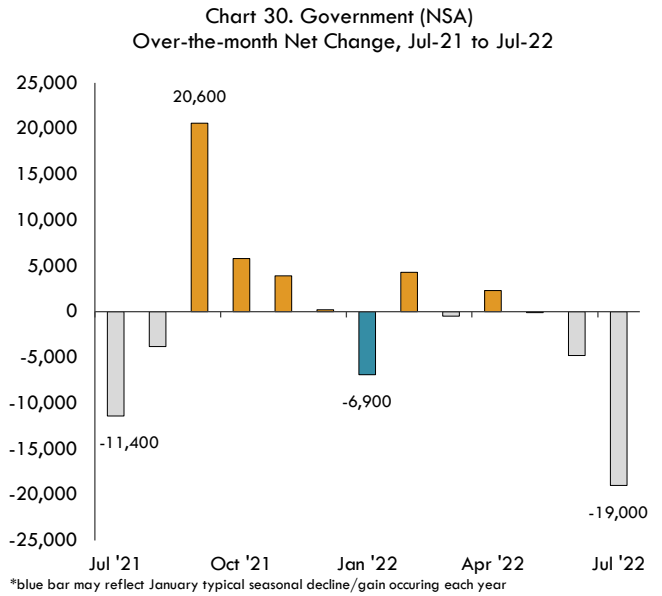


## DECLINING INDUSTRY HIGHLIGHTS

### Government

#### Over-the-month Change

Government was the largest declining sector over the month down -19,000 jobs, or -4.4 (see Chart 30). This stands as the second-largest over-the-month decrease of any month in the past three decades. Historically in the month of July, Government has lost an average of -13,700 jobs over the month, which indicates that this month's losses are moderately larger than the long-term average decline however a July-decline related to the end of the academic year is typical. Local Government was the largest contributor to the overall sector's decline, down -18,700 jobs over the month. The second-largest declining contributor was State Government, which lost -1,000 jobs from June to July. Lastly, Federal Government offset a portion of the sector's losses with a gain of 700 jobs. Government employment was revised upward by 1,700 jobs for a May to June smaller net loss of -4,800 compared to an original estimate of -6,500 jobs.

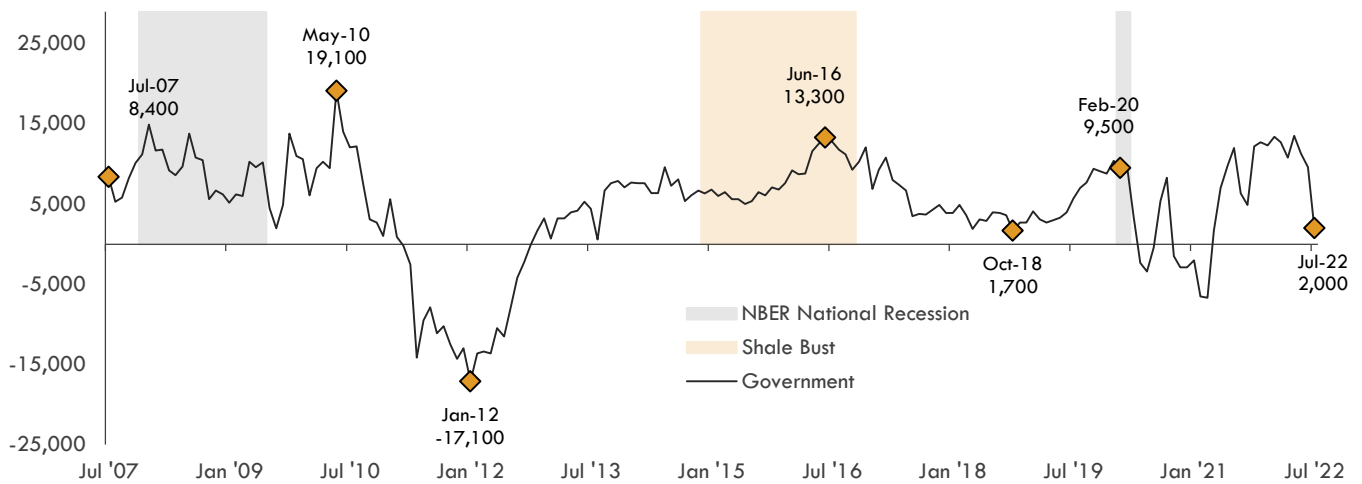


#### Over-the-year Change

Year over year, Government was up 2,000 jobs, or 0.5 percent (see Chart 31). This July also marks 16 consecutive months of over-the-year gains. State Government was the largest contributor to the overall sector's increase, up 1,700 jobs over the year. The second-largest contributor was Federal Government, which added 1,100 jobs from July a year ago. Lastly, Local Government offset a portion of the sector's gains with a loss of -800 jobs. Total Government employment (NSA) remains -15,900 jobs, or -3.7 percent below its February 2020 pre-pandemic level of 428,400. At the same time, the sector's

share of Houston area Total Nonfarm Employment has fallen from 13.3 percent to 12.6 percent over the past year.

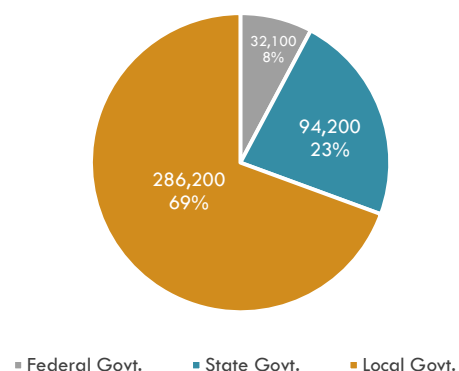
Chart 31. Government (NSA)  
Over-the-year Net Change, Jul-07 to Jul-22



#### About This Sector

This sector consists of establishments of federal, state, and local government agencies that administer, oversee, and manage public programs and have executive, legislative, or judicial authority over other institutions within a given area that are not performed by private establishments. For MSA data, this includes public education but excludes healthcare. Of the three main component industries, Local Government accounts for the majority of the sector's employment at 69 percent (see Chart 32). Across the Houston MSA, the concentration of jobs in the overall Government sector is 9 percent less than the national average.

Chart 32. Employment in Component Industries of Government Sector - July 2022

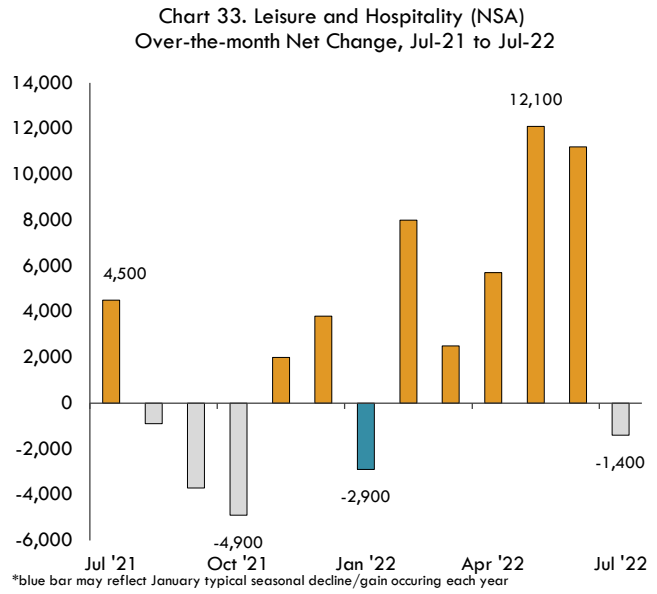


DECLINING INDUSTRY HIGHLIGHTS

Leisure and Hospitality

Over-the-month Change

Leisure and Hospitality was the second-largest declining sector over the month down -1,400 jobs, or -0.4 (see Chart 33). This was the largest July over-the-month decline in since 2020. Historically in the month of July, Leisure and Hospitality has lost an average of -1,600 jobs over the month, which indicates that this month's losses are slightly smaller than the long-term average decline. Arts, Entertainment, and Recreation was the largest contributor to the overall sector's decline, down -800 jobs over the month. The second-largest declining contributor was Accommodation and Food Services, which lost -600 jobs from June to July. Leisure and Hospitality employment was revised downward by -500 jobs for a May to June smaller net gain of 11,200 compared to an original estimate of 11,700 jobs.

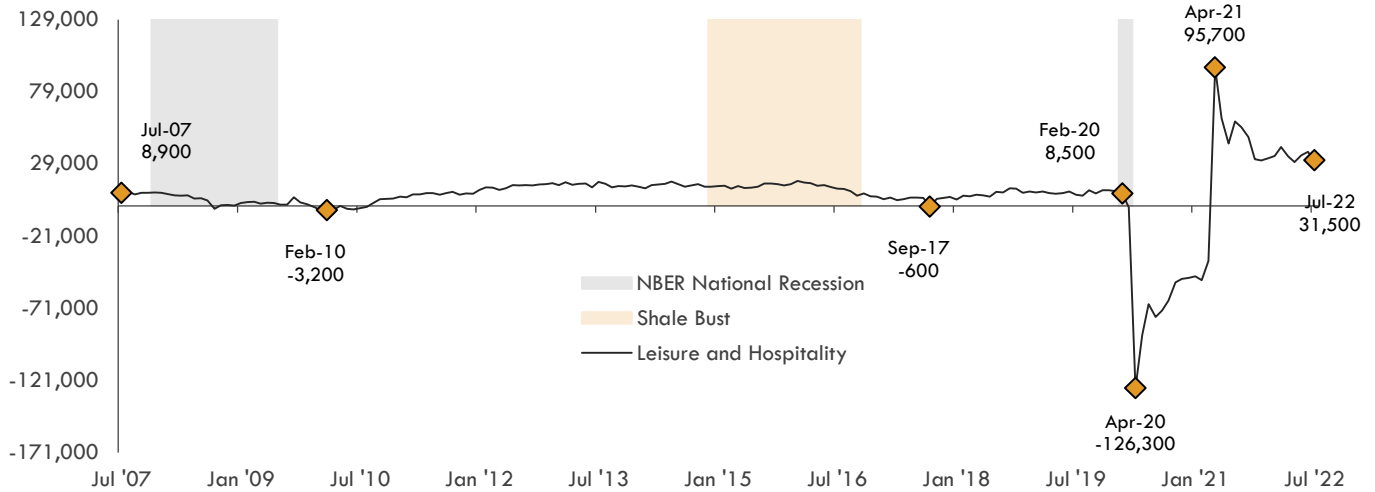


Over-the-year Change

Year over year, Leisure and Hospitality was up 31,500 jobs, or 9.8 percent (see Chart 34). This was the second-largest over-the-year gain in the month of July since records began in 1990. It also marks 16 consecutive months of over-the-year gains. Among sectors currently showing growth, this sector is the third-fastest growing in percentage terms across the Houston area. Furthermore, 16.7 percent of total (gross) jobs added across the region over the past year can be attributed to Leisure and Hospitality. Accommodation and Food Services was the largest contributor to the overall sector's increase, up 26,800 jobs over

the year. The second-largest contributor was Arts, Entertainment, and Recreation, which added 4,700 jobs from July a year ago. Total Leisure and Hospitality employment (NSA) now exceeds its February 2020 pre-pandemic level of 334,500 jobs by 19,600, or 5.9 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has risen from 10.5 percent to 10.8 percent over the past year.

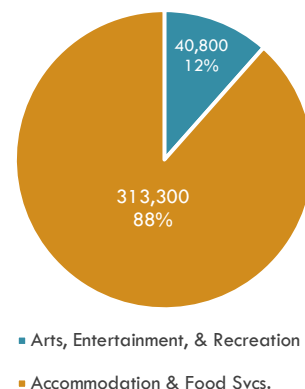
Chart 34. Leisure and Hospitality (NSA)  
Over-the-year Net Change, Jul-07 to Jul-22



About This Sector

This sector is composed of establishments that produce and promote in live performances, events, or exhibits of historical, cultural, or educational interest or related to recreation or hobbies intended for public viewing; and provide customers with lodging and/or meals and beverages for immediate consumption. NOTE: movie theaters are classified under the Information sector rather than Leisure and Hospitality. Of the two main component industries, Accommodation and Food Services accounts for the majority of the sector's employment at 88 percent (see Chart 35). Across the Houston MSA, the concentration of jobs in the overall sector is 0 percent less than the national average.

Chart 35. Employment in Component Industries of Leisure and Hospitality Sector - July 2022

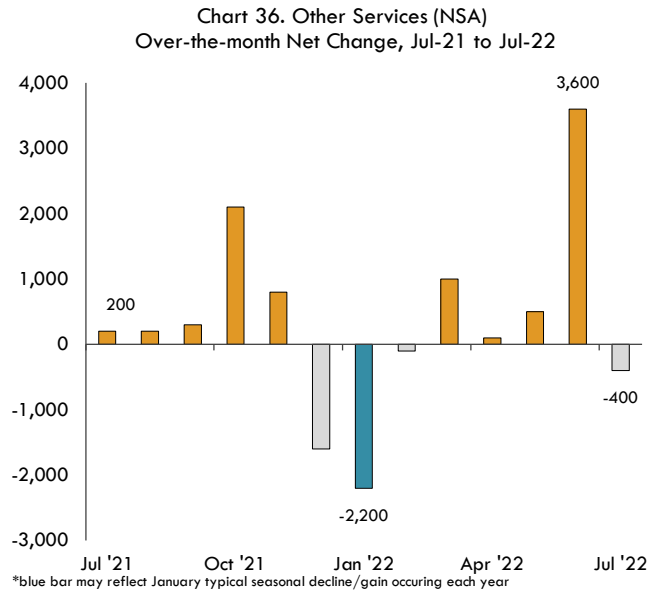


DECLINING INDUSTRY HIGHLIGHTS

Other Services

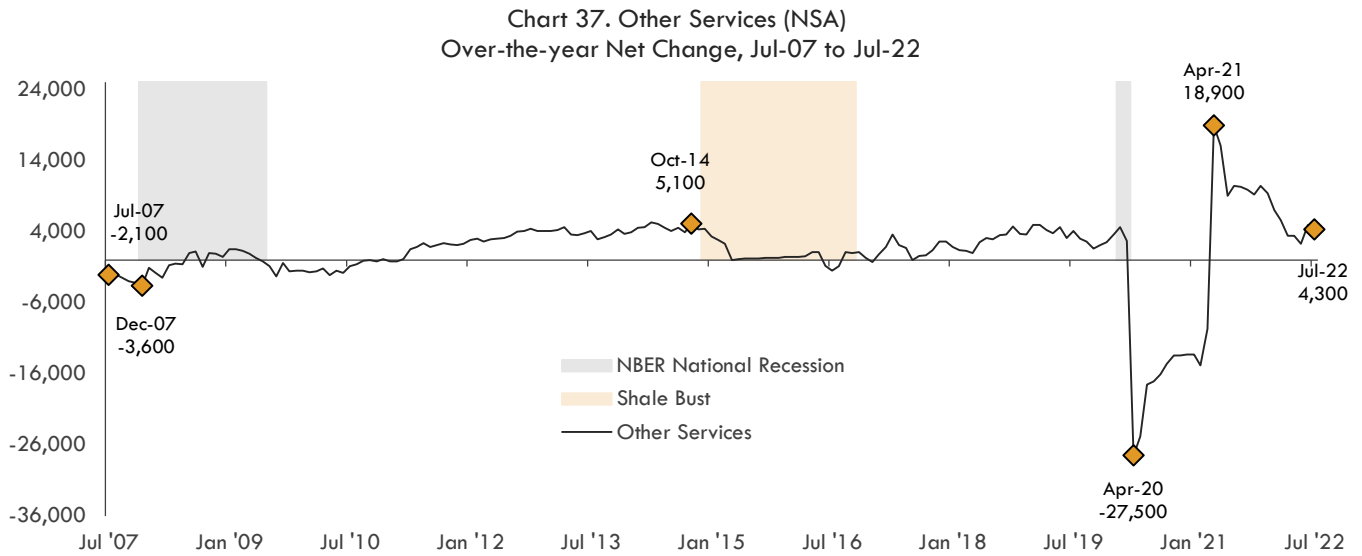
Over-the-month Change

Other Services was the third-largest declining sector over the month down -400 jobs, or -0.3 (see Chart 36). This was the largest July over-the-month decline in since 2020. Historically in the month of July, Other Services has lost an average of -200 jobs over the month, which indicates that this month's losses are slightly larger than the long-term average decline. NOTE: No subsector is published at the MSA level by the CES survey. See below for additional information. Other Services employment was revised downward by -600 jobs for a May to June smaller net gain of 3,600 compared to an original estimate of 4,200 jobs.



Over-the-year Change

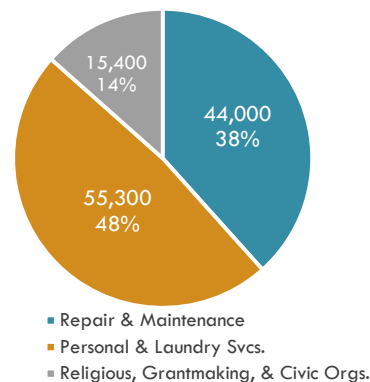
Year over year, Other Services was up 4,300 jobs, or 3.9 percent (see Chart 37). This was the third-largest over-the-year gain in July since records began in 1990. It also marks 16 consecutive months of over-the-year gains. NOTE: No subsector is published at the MSA level by the CES survey. See below for additional information. Total Other Services employment (NSA) remains -4,400 jobs, or -3.7 percent below its February 2020 pre-pandemic level of 119,100. At the same time, the sector's share of Houston area Total Nonfarm Employment has remained constant at 3.6 percent over the past year.



About This Sector

This sector comprises establishments engaged in services not classified elsewhere such as equipment and machinery repair, religious activities, grantmaking, advocacy, and providing dry-cleaning and laundry services, and personal care services. Of the three main component industries, Personal and Laundry Services accounts for a plurality of the sector's employment at 48 percent as a subsector where self-employment is prevalent (source: Census - Non Employer Statistics and BLS - Quarterly Census of Employment and Wages) (see Chart 38). Across the Houston MSA, the concentration of jobs in the overall Other Services sector is 8 percent less than the national average.

Chart 38. Employment in Component Industries of Other Services Sector - July 2022



\*estimated proportions based QCEW covered and NES self-employment

## Local Area Unemployment Statistics

### Not-Seasonally Adjusted

#### Houston Metro, Texas, and U.S. Unemployment

The Houston MSA (not-seasonally-adjusted) unemployment rate stood at 4.8 percent in July, unchanged from June's 4.8 percent and down from 6.6 percent a year ago. This was above the statewide rate of 4.3 percent and above the national rate of 3.8 percent. Performance of the unemployment rate in July has been mixed historically with a 60/40 split of declines to increases. 168,442 individuals were unemployed in Houston in July, down slightly from June's 170,371 and down from 228,492 in July 2021 (see Charts 39 and 40).

Chart 39. Unemployment Rates (NSA)  
U.S., Texas, and Houston MSA  
July 2022

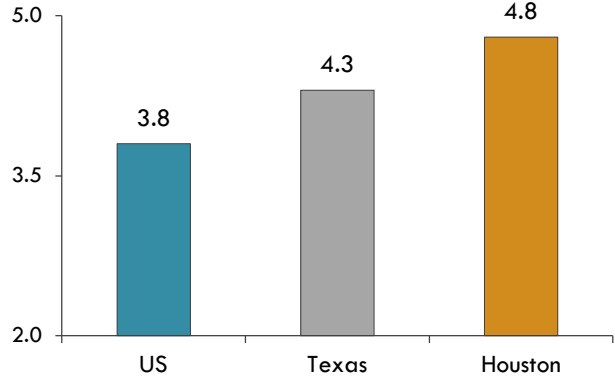
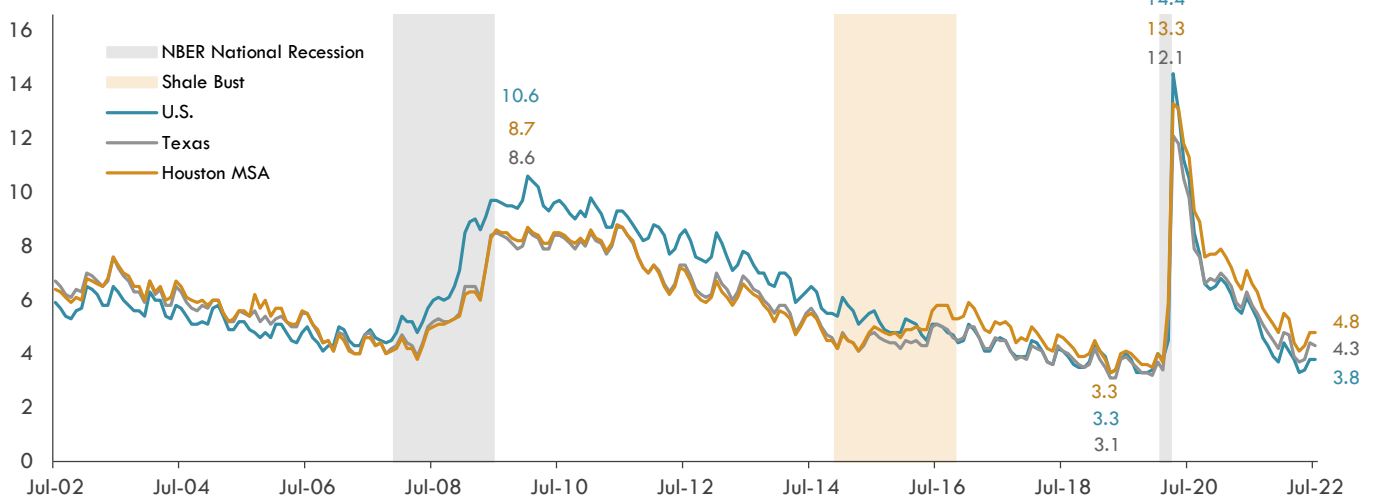


Chart 40. Unemployment Rates U.S., Texas, and Houston MSA (NSA)  
July 2002 to July 2022

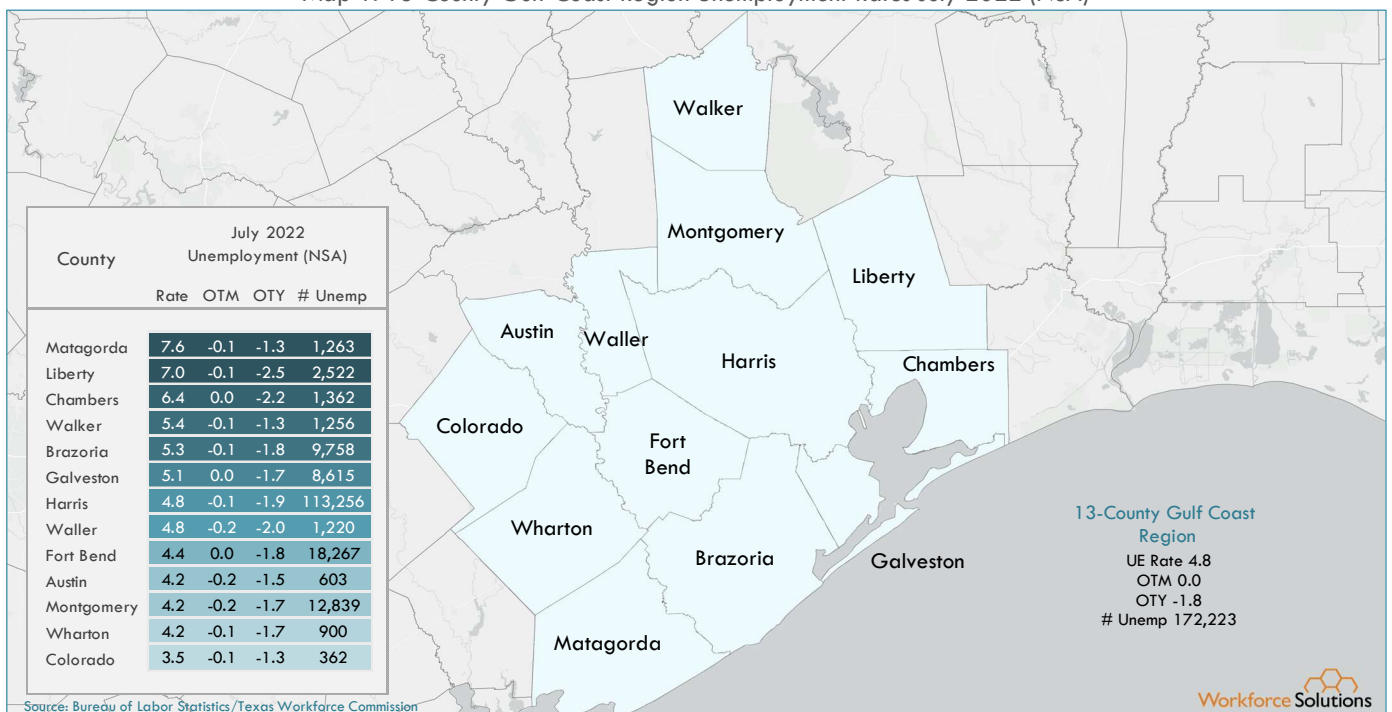


#### County-level Unemployment

Among the 13 counties that comprise the Gulf Coast Workforce Development Area, unemployment rates in July ranged from a high of 7.6 percent in Matagorda County to a low of 3.5 percent in Colorado. Over the month, 10 counties saw their unemployment rates decline in contrast to no change on average across the region while three saw no changes. Over the year unemployment rates fell, with Liberty posting the largest decrease, down -2.5 percentage points representing -801 fewer unemployed workers compared to a year ago followed by Chambers (-2.2 pp, -428 workers) and Waller (-2.0 pp, -473

workers). Since peaking at 446,307 in May 2020 due to the COVID-19 global pandemic, the number of unemployed workers in the Gulf Coast Region has fallen by -274,084 as of this July (see Map 1 legend).

Map 1. 13-County Gulf Coast Region Unemployment Rates July 2022 (NSA)



## Local Area Unemployment Statistics (continued)

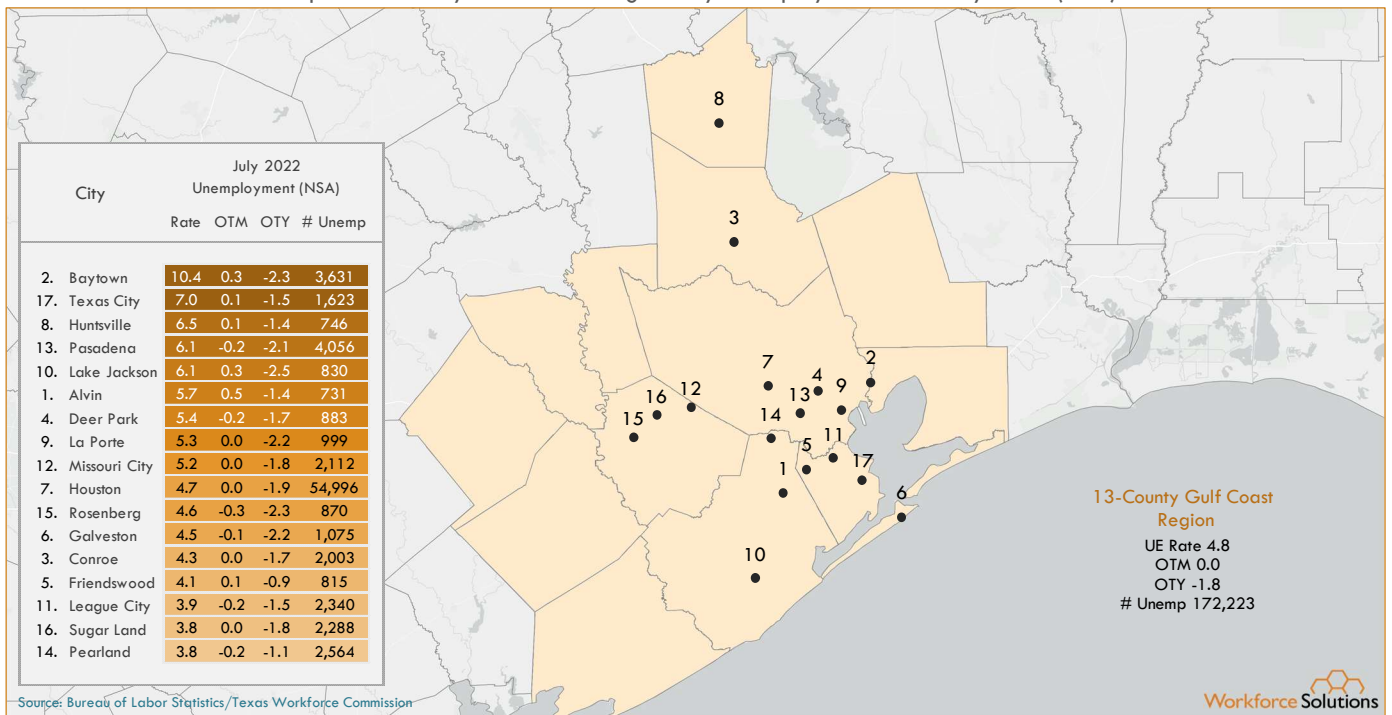
### Not-Seasonally Adjusted

#### Unemployment Rates for Select Municipalities

Among the 17 cities in the Gulf Coast Workforce Development Area for which Local Area Unemployment Statistics are available, unemployment rates in July ranged from a high of 10.4 percent in Baytown to a low of 3.8 percent in Pearland (see Map 2 legend). Over the month, six cities saw their unemployment rates decline in contrast to no change on average across the region while six increased and five saw no changes. Over the year unemployment rates fell, with Lake Jackson

posting the largest decrease, down -2.5 percentage points representing -321 fewer unemployed workers compared to a year ago followed by Baytown (-2.3 pp, -737 workers) and Rosenberg (-2.3 pp, -408 workers). The 17 cities below accounted for 48 percent of the 172,223 unemployed workers across the Gulf Coast Region as of this July (see Map 2 legend).

Map 2. 13-County Gulf Coast Region City Unemployment Rates July 2022 (NSA)



### Seasonally Adjusted

#### Houston Metro, Texas, and U.S. Unemployment

The Houston MSA (seasonally-adjusted) unemployment rate stood at 4.6 percent in June, down from May's 4.7 percent and down from 6.6 percent a year ago. This was above the statewide rate of 4.1 percent and above the national rate of 3.6 percent. down from 225,452 in June 2021 (see Charts 41 and 42). NOTE: Seasonally-adjusted data for the MSA are available with a one-month delay but are not available for the 13-County Region or 17 cities.

Chart 41. Unemployment Rates (SA)  
 U.S., Texas, and Houston MSA  
 June 2022

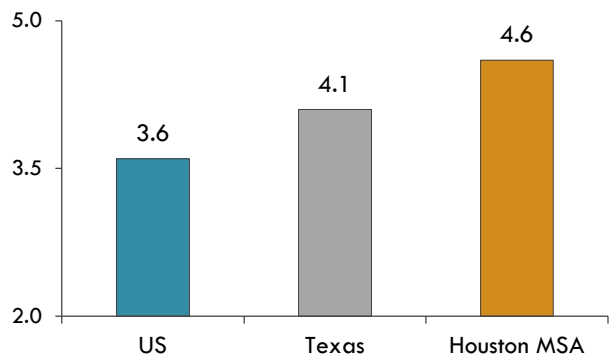
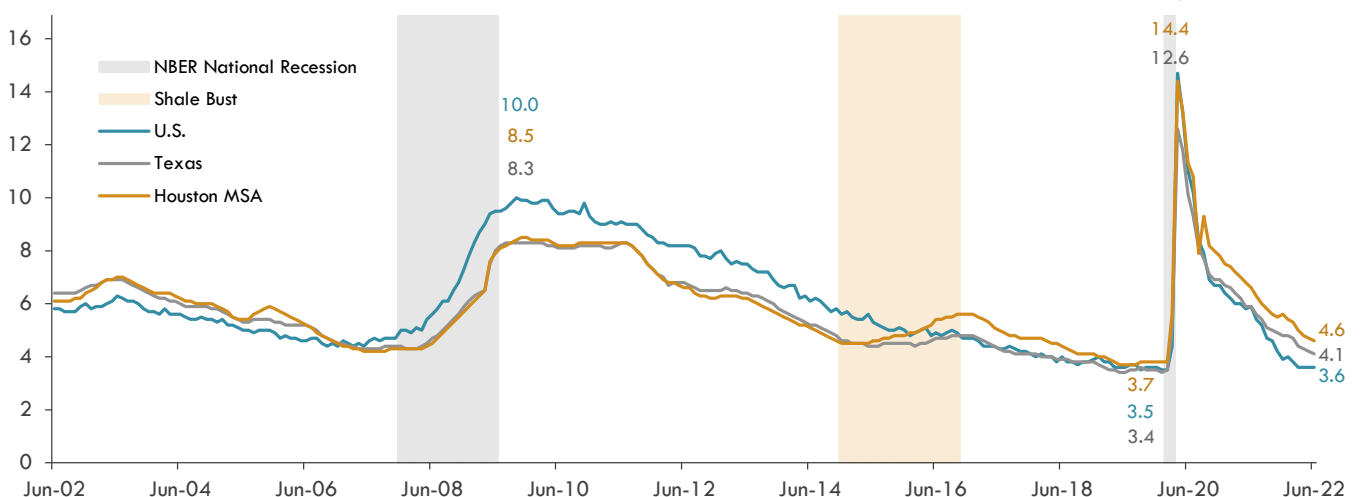


Chart 42. Unemployment Rates U.S., Texas, and Houston MSA (SA)  
 June 2002 to June 2022





## Gulf Coast Workforce Solutions Index (WSI)

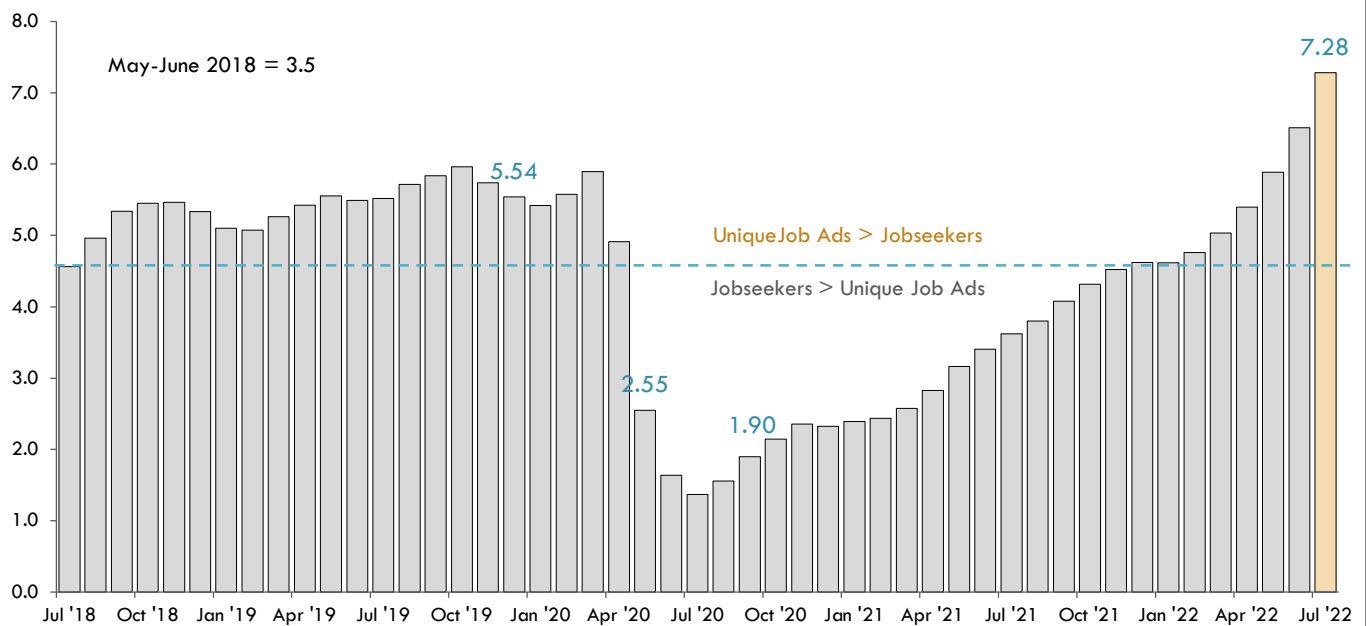


### The Gulf Coast Workforce Solutions Index (WSI)

The WSI is an indicator designed to capture shifts in the local labor market, specifically the balance between available jobs and unemployed workers at a given point in time. Values above 4.0 signal a surplus of jobs while values less than 4.0 signal a surplus of jobseekers. The Gulf Coast Workforce Board monitors the WSI as part of its ongoing review of the region's unemployment insurance work search requirement and reserves the right to adjust the number of weekly job search contacts as labor market conditions warrant. In the event of change to the work search requirement, the Board will notify the Texas Workforce Commission who will in turn notify UI recipients.

WSI Reading  
July  
2022:  
**7.28**

Gulf Coast Workforce Solutions Index - Houston MSA 2017 - 2022 (SA)



Source(s): Emsi-Burning Glass and BLS/TWC - LAUS  
Note: data subject to revisions.



### Workforce Solutions Index July 2022

The Houston MSA WSI for July bested the previous series high registered in June at 7.28, and marking 11 consecutive months with a reading at or above 4.0. July's record index was the result of an increase of 13,000 job ads over June and a relatively modest decrease in unemployed workers by 3,000. This July's reading reaffirms the strength of Houston's labor market and continues to suggest that a minimum requirement of five work search activities per week could be appropriate for unemployed individuals receiving UI benefits.



# Houston Area Employment Situation

July 2022

Table 1. Houston MSA Sectors and Major Industry Subcomponents

NAICS Industry	Jul-22	Jun-22	Jul-21	Monthly	Monthly	Yearly	Yearly %
<b>Total Nonfarm</b>	<b>3,267,000</b>	<b>3,266,100</b>	<b>3,078,100</b>	<b>900</b>	<b>0.0%</b>	<b>188,900</b>	<b>6.1%</b>
Total Private	2,854,500	2,834,600	2,667,600	19,900	0.7%	186,900	7.0%
Goods Producing	539,500	532,800	482,400	6,700	1.3%	57,100	11.8%
<b>..Mining and Logging</b>	<b>70,800</b>	<b>68,800</b>	<b>59,200</b>	<b>2,000</b>	<b>2.9%</b>	<b>11,600</b>	<b>19.6%</b>
...Oil and Gas Extraction	34,400	33,300	29,200	1,100	3.3%	5,200	17.8%
...Support Activities for Mining	34,400	33,500	28,600	900	2.7%	5,800	20.3%
<b>..Construction</b>	<b>240,800</b>	<b>238,300</b>	<b>209,800</b>	<b>2,500</b>	<b>1.0%</b>	<b>31,000</b>	<b>14.8%</b>
..Construction of Buildings	56,400	55,900	49,900	500	0.9%	6,500	13.0%
..Heavy and Civil Engineering Construction	55,900	55,700	49,400	200	0.4%	6,500	13.2%
..Specialty Trade Contractors	128,500	126,700	110,500	1,800	1.4%	18,000	16.3%
<b>..Manufacturing</b>	<b>227,900</b>	<b>225,700</b>	<b>213,400</b>	<b>2,200</b>	<b>1.0%</b>	<b>14,500</b>	<b>6.8%</b>
..Durable Goods	141,300	139,400	130,800	1,900	1.4%	10,500	8.0%
...Fabricated Metal Product Manufacturing	48,600	48,400	44,900	200	0.4%	3,700	8.2%
...Machinery Manufacturing	39,900	40,200	39,300	-300	-0.7%	600	1.5%
....Agriculture, Construction, and Mining Machinery Mfg.	20,500	20,400	19,900	100	0.5%	600	3.0%
...Computer and Electronic Product Manufacturing	13,100	13,100	12,900	0	0.0%	200	1.6%
..Non-Durable Goods	86,600	86,300	82,600	300	0.3%	4,000	4.8%
...Petroleum and Coal Products Manufacturing	8,400	8,300	8,000	100	1.2%	400	5.0%
...Chemical Manufacturing	40,700	40,500	39,400	200	0.5%	1,300	3.3%
Service Providing	2,727,500	2,733,300	2,595,700	-5,800	-0.2%	131,800	5.1%
..Private Service Providing	2,315,000	2,301,800	2,185,200	13,200	0.6%	129,800	5.9%
<b>..Trade, Transportation, and Utilities</b>	<b>674,200</b>	<b>669,000</b>	<b>631,900</b>	<b>5,200</b>	<b>0.8%</b>	<b>42,300</b>	<b>6.7%</b>
...Wholesale Trade	175,800	173,400	162,200	2,400	1.4%	13,600	8.4%
....Merchant Wholesalers, Durable Goods	106,700	105,100	99,600	1,600	1.5%	7,100	7.1%
....Prof. and Commercial Equip. Supplies Wholesalers	18,000	17,800	17,100	200	1.1%	900	5.3%
....Merchant Wholesalers, Nondurable Goods	56,700	55,900	51,500	800	1.4%	5,200	10.1%
...Retail Trade	321,200	319,700	306,100	1,500	0.5%	15,100	4.9%
....Motor Vehicle and Parts Dealers	43,400	43,300	42,000	100	0.2%	1,400	3.3%
....Bldg. Material and Garden Equip. and Supplies Dealers	24,000	24,200	24,300	-200	-0.8%	-300	-1.2%
....Food and Beverage Stores	71,600	71,300	68,900	300	0.4%	2,700	3.9%
....Health and Personal Care Stores	20,400	20,500	19,300	-100	-0.5%	1,100	5.7%
....Clothing and Clothing Accessories Stores	23,900	24,100	23,700	-200	-0.8%	200	0.8%
....General Merchandise Stores	62,500	62,200	60,200	300	0.5%	2,300	3.8%
....Department Stores	20,100	20,000	19,900	100	0.5%	200	1.0%
....Other General Merchandise Stores	42,400	42,200	40,300	200	0.5%	2,100	5.2%
...Transportation, Warehousing, and Utilities	177,200	175,900	163,600	1,300	0.7%	13,600	8.3%
....Utilities	17,800	17,700	17,400	100	0.6%	400	2.3%
....Air Transportation	19,500	19,300	17,800	200	1.0%	1,700	9.6%
....Truck Transportation	29,400	29,200	27,400	200	0.7%	2,000	7.3%
....Pipeline Transportation	12,800	12,700	12,200	100	0.8%	600	4.9%
<b>..Information</b>	<b>32,300</b>	<b>32,000</b>	<b>30,800</b>	<b>300</b>	<b>0.9%</b>	<b>1,500</b>	<b>4.9%</b>
...Telecommunications	12,300	12,300	12,300	0	0.0%	0	0.0%
<b>..Financial Activities</b>	<b>172,900</b>	<b>172,400</b>	<b>170,800</b>	<b>500</b>	<b>0.3%</b>	<b>2,100</b>	<b>1.2%</b>
...Finance and Insurance	109,700	109,700	108,800	0	0.0%	900	0.8%
....Credit Intermediation and Related Activities	46,100	46,200	46,000	-100	-0.2%	100	0.2%
....Depository Credit Intermediation	29,800	29,700	29,600	100	0.3%	200	0.7%
....Securities, Commodity Contracts, and Fin. Investments	21,800	21,700	21,600	100	0.5%	200	0.9%
....Insurance Carriers and Related Activities	41,800	41,800	41,200	0	0.0%	600	1.5%
...Real Estate and Rental and Leasing	63,200	62,700	62,000	500	0.8%	1,200	1.9%
<b>..Professional and Business Services</b>	<b>531,100</b>	<b>525,200</b>	<b>509,100</b>	<b>5,900</b>	<b>1.1%</b>	<b>22,000</b>	<b>4.3%</b>
...Professional, Scientific, and Technical Services	254,200	250,600	243,300	3,600	1.4%	10,900	4.5%
....Legal Services	31,000	30,500	29,700	500	1.6%	1,300	4.4%
....Accounting, Tax Preparation, Bookkeeping, and Payroll	27,000	26,400	25,400	600	2.3%	1,600	6.3%
....Architectural, Engineering, and Related Services	72,300	71,700	66,300	600	0.8%	6,000	9.0%
....Computer Systems Design and Related Services	39,600	39,000	38,100	600	1.5%	1,500	3.9%
...Management of Companies and Enterprises	45,400	45,000	43,200	400	0.9%	2,200	5.1%
...Admin. and Support and Waste Mgmt. and Remediation	231,500	229,600	222,600	1,900	0.8%	8,900	4.0%
....Administrative and Support Services	220,300	219,100	211,100	1,200	0.5%	9,200	4.4%
....Employment Services	86,300	85,900	81,500	400	0.5%	4,800	5.9%
....Services to Buildings and Dwellings	52,800	52,000	53,800	800	1.5%	-1,000	-1.9%
<b>..Educational and Health Services</b>	<b>435,700</b>	<b>432,600</b>	<b>409,600</b>	<b>3,100</b>	<b>0.7%</b>	<b>26,100</b>	<b>6.4%</b>
...Educational Services	70,900	71,900	63,100	-1,000	-1.4%	7,800	12.4%
...Health Care and Social Assistance	364,800	360,700	346,500	4,100	1.1%	18,300	5.3%
....Ambulatory Health Care Services	179,900	176,900	173,800	3,000	1.7%	6,100	3.5%
....Hospitals	92,900	92,300	88,300	600	0.7%	4,600	5.2%
<b>..Leisure and Hospitality</b>	<b>354,100</b>	<b>355,500</b>	<b>322,600</b>	<b>-1,400</b>	<b>-0.4%</b>	<b>31,500</b>	<b>9.8%</b>
...Arts, Entertainment, and Recreation	40,800	41,600	36,100	-800	-1.9%	4,700	13.0%
...Accommodation and Food Services	313,300	313,900	286,500	-600	-0.2%	26,800	9.4%
....Accommodation	26,300	26,100	23,300	200	0.8%	3,000	12.9%
....Food Services and Drinking Places	287,000	287,800	263,200	-800	-0.3%	23,800	9.0%
<b>..Other Services</b>	<b>114,700</b>	<b>115,100</b>	<b>110,400</b>	<b>-400</b>	<b>-0.3%</b>	<b>4,300</b>	<b>3.9%</b>
<b>Government</b>	<b>412,500</b>	<b>431,500</b>	<b>410,500</b>	<b>-19,000</b>	<b>-4.4%</b>	<b>2,000</b>	<b>0.5%</b>
..Federal Government	32,100	31,400	31,000	700	2.2%	1,100	3.5%
..State Government	94,200	95,200	92,500	-1,000	-1.1%	1,700	1.8%
...State Government Educational Services	53,500	54,800	52,600	-1,300	-2.4%	900	1.7%
..Local Government	286,200	304,900	287,000	-18,700	-6.1%	-800	-0.3%
...Local Government Educational Services	193,800	210,900	192,700	-17,100	-8.1%	1,100	0.6%